

*The Budget—Mr. Caron*

that man is a finite being and that in this world nothing is essentially good and nothing is essentially bad.

This is why I feel I can say the same thing about the baby budget, for it contains some things that are not bad, but the greater part of it is not acceptable to most Canadians. For that reason, when the hon. member for Bonavista-Twillingate referred to past events, I was in complete agreement with him.

As I was saying during the Liberal convention last week, I feel that in the Liberal party, we have to be radical and daring. That, incidentally, was one of the failings of the former party, in my view. I felt it was not radical, and was not seeking, through effective action, to develop our policy in tune with the changing times. The minister was wrong in raising that point, and I take this opportunity to congratulate the hon. member for Bonavista-Twillingate for having had the courage to speak his mind, as he does at all times. I commend him for having done so in this case.

Mr. Speaker, reference has been made to the baby budget. It is indeed that, because it does not seem to have reached maturity; or is it the party that submitted it that has not reached maturity.

In the first place, was this budget necessary? This is a question which is on everybody's lips, and not merely on those of the hon. members who are sitting here on my left. In fact, I am convinced that if we could read the minds of all the hon. members of this house, we would find that several Conservative members too are wondering whether this budget was really necessary. They are wondering how it can help relieve the present situation. For my part, I say it was not necessary at all. It only served to prove that the party in power, the government, the Prime Minister (Mr. Diefenbaker) and the Minister of Finance (Mr. Fleming) have all shown a lack of foresight during the three years they have been administering the affairs of this country.

The only thing this budget has offered the Canadian people is the evidence that, when the Minister of Finance made his budget speech on March 31 last, and predicted a \$12 million surplus, he had not foreseen the possible difficulties and, while there was no actual prospect of a \$12 million surplus, he nevertheless was proud to announce one.

When I took part in the debate, I said that despite the statement of the minister, if he wanted to replenish the unemployment insurance fund, he would create a deficit of at least \$300 million. However he denied it at the time. On March 31 last, the minister said

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an extraordinary surge was taking place in the economic forces of the western world, to which Canada was vastly contributing.

It is true that there has been a revival in the western world, and in Europe. There has been a new movement there. And what has this country done about it?

We have seen some European countries form a common market in order to strengthen their position and to develop their market so as to dispose of their surplus goods and avoid a possibly imminent depression.

And here we were silently looking on while this transformation was taking place.

The minister and his colleagues did not choose to look into the situation and see whether, on this side of the Atlantic, an organization of our markets would not contribute to rid us of our surpluses. Nothing was done. They remained mute before the facts.

The countries of Europe are prospering, and Canada is not. I have been to Japan. It is enjoying a remarkable prosperity. However there is nothing of the sort in Canada. Why? Simply because the administration is bad.

**Mr. Georges Valade (St. Mary):** How much do the Japanese pay their workers?

**Mr. Caron:** Mr. Speaker, some time ago, England proposed, or rather suggested, that we establish a free trade area, the first time at St. Adèle, during a meeting, and on another occasion, at some place the name of which has slipped my mind.

When the British minister spoke of a free trade area, did Canada stop and think about the setting up of such an area, which would help our foreign trade? Not in the least. Canada did nothing, it did not budge. We did not even set up a royal commission, as is generally done, to examine the situation.

Mr. Speaker the budget submitted to us showed an unheard lack of foresight. If we look up the minister's statements, we find the proof thereof.

This is what the minister stated on January 11, at the Canadian Club in Toronto with regard to the budget submitted on March 31:

The Canadian economy is in a period of pronounced expansion. We welcome this development. But we would not like to see it degenerate into a short-lived wave of prosperity which might result in an inflationary trend.

Just imagine, Mr. Speaker, the minister stating in January 1960 that he did not want an evolution which might degenerate into a prosperity he would have some difficulty in stopping.

What we want most of all, is an orderly expansion without inflation. That is the aim of our policy in this year of development 1960.