

The Budget—Mr. R. A. Bell

could be possible only with that co-ordination. In clear and explicit terms at the end of his budget speech, the Minister of Finance showed how impossible such co-ordination had become with the Bank of Canada under Mr. Coyne's leadership. In recent months Mr. Coyne's theme song has been that monetary policy, for which he was responsible, was powerless but that fiscal and commercial policy, for which the Minister of Finance and the government were responsible, were all-powerful. Extreme succeeded extreme until in lonely majesty in his counting house on the south side of Wellington street the governor divorced himself from the government, from all major financial institutions in Canada which both publicly and privately were denouncing his policies, and, indeed, from his own directors, and, tragically also, from many of his own advisers.

Under a new and responsible governor there may now be a co-ordination of activity in all related fields and the resumption of interrupted progress. When parliament tells this unwise governor, "Begone", I have no doubt that our economy will respond to his removal from authority.

Now, sir, I want to deal with what the hon. member for Kenora-Rainy River had to say in connection with forecasting and the deficit, for it has become a favourite topic of the hon. member to dilate, with his rather considerable gift for sarcasm, upon alleged divergences between forecasts and performances.

I want to say first that if there is a divergence between forecast and actuality in the gross national product, then he seems to take a gloating satisfaction out of the slowdown in our economy. What the hon. gentleman does not realize or certainly does not state is that such a margin of error, if it may be described as such, is less considerable in Canada than has been true in most western countries, and equally true is much less considerable than during the time the hon. gentleman was parliamentary assistant to the minister of finance. What amuses me, sir, is that the hon. gentleman from Kenora-Rainy River reserved some of his most violent and unwarranted criticism for the amount of the deficit and for the consequent increase in the total net debt. This is the official criticism of a party which, down through the years purported to believe in what they described as cyclical budgeting. O, consistency, thou art a jewel.

Suppose parliament had adopted the tax cuts which were so strenuously advocated by the Leader of the Opposition (Mr. Pearson) during the election campaign in 1958 in his something for everyone, but now forgotten, Pearson plan; policies be it

[Mr. Bell (Carleton).]

noted which have never been resurrected in this chamber. What then would have been the deficit?

Mr. Benidickson: President Kennedy had just this in mind.

Mr. Bell (Carleton): Does the hon. gentleman say that President Kennedy had this in mind? That is perhaps the most outrageous statement my voluble friend has ever made in the house. Suppose we had taken over a policy of tax cuts and increased expenditures which were forced down the throats of responsible Liberals by the triumvirate of Gordon, Sharpe and Drury at the so called Liberal rally here in Ottawa in January? What then would have been the deficit? Let hon. gentlemen tally that up. I say to them if you had put in full those measures—

Mr. Martin (Essex East): Are you asking us?

Mr. Bell (Carleton): The hon. gentleman will have ample opportunity to make a speech.

Mr. Martin (Essex East): If you are asking us, then I shall deal with it.

Mr. Bell (Carleton): The hon. gentleman is on his feet so often in this chamber, and I only want to say to the hon. gentleman—

Mr. Martin (Essex East): You asked me a question and then you do not want me to answer.

Mr. Bell (Carleton):—every time he rises with the pomposity of a mid-Victorian duchess he proves that his volubility is equalled only by his unwisdom.

Mr. Martin (Essex East): Why did the hon. gentleman ask a question?

Mr. Bell (Carleton): The hon. gentleman will have his opportunity to make a 30 minute speech on another occasion.

I say that the situation would have been that the deficit would have been at least \$2 billion. My hon. friend from Kenora-Rainy River who, in my opinion at least exceeds this tiresome trio in genuine knowledge of public finance, although they seek now to replace him as the heir presumptive, endeavours to exploit for political purposes the amount of the deficit. Now, he cannot have it both ways. He cannot blow hot and cold in this particular way. He cannot become indignant and sarcastic about the existing deficit and at the same time join with his colleagues in the advocacy of policies that would triple or quadruple the deficit.

Certainly, we have had a deficit. It is the result of two things. First, it is the result of the greatest increase in services to our people of any equivalent period in Canadian history.