

This, as I said, is for the record. To-day we face new conditions and cannot rely complacently on old methods. We are providing large sums of money to enable our products to find a market—perhaps something like a billion dollars this year, not to pay for imports but to pay for exports. We are coming to be creditors in world trade relations, and we must adjust our policies accordingly.

I come back to where I began. We need exports as never before. In the world of to-day there are new and perplexing difficulties in the way of trade. Difficulties of currency are added to the old difficulties of tariff. If we seek security exclusively, pursuing our own prosperity by policies of exclusiveness, we may very well find that we have failed to get security but have only the exclusiveness. What we must try in every way to do is to pursue security through cooperation and exchange policies.

It will be natural that many hon. members at this moment will have in their minds the question of British preferences which the United States, in signing the British loan agreement (subject to the approval of congress) suggested we should relinquish as part of the greater freedom of trade which it was hoped would result from that and other similar agreements. In my opinion we in Canada should do all in our power to contribute to the increase of trade. Whether it comes or not depends, it is true, to an almost overwhelming degree upon the United States. However, we bring much greater strength to any negotiation than in the past, and can play a greater part than in the past, particularly with the United States. Meanwhile it would be natural for many in Canada to feel that we must not give up a bird in the hand until we have some indication of what is in the bush.

I have tried to emphasize the unreality of this budget. There is unreality in the new deferred form of tax relief which reminds us of the children's game, "This year, next year, sometime, never." There is unreality in facing our deficit; there is unreality in failing to accentuate production but on the contrary getting lost in mazes of dollars. There is unreality in painting our economic position too rosily, and, worst of all, in making no concentrated attack on the citadel of extravagance.

I sometimes wonder if the government which has been borrowing and pouring into our pockets as part of our income some three billion dollars a year is not allowing or even inviting us to commit the error of a man who has an income of \$3,000 a year, who borrows \$2,000 and then spends the lot, leaving to someone else all the worry about repaying the loan. Much was expected of the budget—it is

almost pathetic to recall how much—but the hopes have largely turned to ashes. Instead of relief and encouragement, the budget has given us disillusionment and disappointment.

It will be hard for the minister's appeal for production to succeed when no new incentives are offered. But it is essential that all of us as good citizens should do everything in our power to bring it about.

However, the great responsibility must remain on the government, and it seems to me that unless they show a greater ability to organize economically, a greater capacity in other ways, the prospect is not what we would desire.

I desire to move, seconded by the hon. member for Calgary West (Mr. Smith):

That all the words after "that" to the end of the motion be omitted and the following substituted therefor:

"This house regrets:

- (1) That the budget does not provide for tax reductions in the calendar year 1946;
- (2) That the budget gives no indication of any serious attempt to eliminate extravagance or effect economies in the cost of government;
- (3) That the policies of the government are discouraging much-needed production."

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, in taking part in this debate I want my first word to be one of congratulation to the right hon. Minister of Finance (Mr. Ilesley) upon the careful and comprehensive review of the nation's business which he gave in his budget speech. I am glad that in this one respect I find myself in complete agreement with the hon. member for Muskoka-Ontario (Mr. Macdonnell). We both agree in loving the sinner while hating the sin. Perhaps I should say, while hating the sins, because we may find some difficulty in agreeing on the particular sins that we hate.

This is the first peace-time budget since 1939. The budgets in the years 1939 to 1946 had to do with the economy of the country in the emergency of war. Under such circumstances we could not expect much constructive long-term planning. Consequently our strongest criticism of this first peacetime budget in seven years is not so much for what it does as for what it fails to do. It is a perfectly orthodox old-fashioned budget, and may I say that the criticism we just listened to was perfectly orthodox old-fashioned criticism. If any proof were needed I would point to the hon. member for Muskoka-Ontario quoting something that the Prime Minister (Mr. Mackenzie King) said in 1920.

This budget takes no account of the social and economic changes which took place in this country and in the world during the ten