

*The Budget—Mr. C. Cameron*

(c) does not assure to the provinces a larger share of the revenues from federal-provincial fields of taxation; and

(d) ignores the problems and needs of agriculture."

**Mr. Colin Cameron (Nanaimo):** Mr. Speaker, I want first of all to congratulate the minister on his speech of the other night. I say "on his speech", not on his budget. I want to congratulate him particularly on the matter of fiscal achievement, sir, one that few ministers of finance have been able to manage and perhaps very few would wish to. I cannot myself think of any other instance in which there has been a budget which has been politically inept and at the same time economically unsound. We have had a lot of budgets in the past and in fact it is the usual thing for governments to bring in budgets which are politically wise and economically unsound and again we have had instances when budgets have been brought in which were politically unwise and economically sound although I can only think of the one instance and that is the austerity budget of Sir Stafford Cripps in Great Britain.

One is tempted to pause at this moment and speculate on the ironic fact that it appears to be only those who have a grasp of socialist economics who understand capitalist economics. However, as I say, this budget is politically unwise because it has disappointed the hopes of the most helpless and underprivileged of our population who I think surely have a right to expect more generous treatment from the government.

I think it is worth noting, sir, that in 1949 when the old age pension was placed at \$40 the gross national product stood at \$16.4 billion. In 1957 when the old age pension after July 1st is to be \$46 a month the gross national product is expected to exceed \$31 billion. There has been in fact an increase of 83 per cent in the gross national product and we are proposing to give old age pensioners a 15 per cent increase in their pensions. It would appear that in 1957 we are not as generous as we were in 1949. We are not prepared to give the older citizens of this country such a large share of the national wealth production as we were at that time.

If we were to estimate the old age pension on the same ratio to gross national product as the \$40 was in 1949 then today the minister should have announced a pension of \$73. In fact, I think this is a point that should be borne in mind, Mr. Speaker, with respect to an increase in the old age pension; there has in fact been no increase. Not only that, the minister has even failed to

bring the pension up to the same purchasing level that it was in 1949 because the \$46 which we are now offering in 1957 is equivalent only to \$38.17 in the terms of 1949 dollars.

Now, of course, it may be claimed—and I have no doubt the minister will claim—that he has been exercising a commendable sense of public responsibility in refusing to yield to the pressure for more generous treatment of old age pensioners. I suppose we can consider that he has lent at least one ear to his economic advisers, possibly the advice that has been tendered in the report of the governor of the Bank of Canada, and that the harsh realities of economic life have curdled the milk of human kindness that usually runs so freely in his veins. But the trouble is that he has only lent one ear to his advisers. The thought just occurs to me that perhaps like his colleague the Minister of National Defence (Mr. Campney) the Minister of Finance suffers from the disease of one-earness and that he has had only one ear to lend to his economic advisers.

Had he been able to use both ears in listening to advice what would he have heard? Well, he might have listened to no less a person than Walter Harris in the role of the statesman as reported at page 2214 of *Hansard* of March 14, 1957, in which he says, referring to his speech of the year before:

I was careful, however, to point out that we were becoming subject to inflationary pressures and that both fiscal and monetary measures would be needed to restrain the upward thrust upon prices.

**Mr. Harris:** Hear, hear.

**Mr. Cameron (Nanaimo):** I observe that the minister is applauding that statesmanlike statement of Mr. Walter Harris.

**Mr. Barnett:** Somebody has to.

**Mr. Harris:** Yes, somebody had to.

**Mr. Cameron (Nanaimo):** The odd thing is that he confines himself to applause and refrains from any action.

When we come to consider the remarks of one of his advisers—at least I presume that the governor of the Bank of Canada can be classified as one of the economic advisers of the government of Canada—we find that Mr. Coyne has this to say on page 15 of his annual report:

The inflationary pressures that were at work in 1955 and 1956 were not the result, at least in North America, of those dynamic factors which have been most apparent in other inflationary periods. They did not arise from war or the aftermath of war; defence expenditures, though large, have not increased in recent years . . .

Rather, the dynamic factor, the factor showing the greatest change over the past two years, and the cause of the recovery turning into a boom, has