

The Budget—Mr. Monteith

expenditures. I said then that we have the largest spending, the highest taxing, the highest cost of living and almost the greatest deficit in our history. I repeat that accusation now.

• (3:10 p.m.)

The minister has done nothing to control the spending habits of his cabinet colleagues. This approach, Mr. Speaker is having and will have very serious results for Canadians and Canada. It not only endangers our economic situation in the world at large but could cause the decline of our whole federal system of government. I did not wish to heap too much criticism on the minister's budget the other evening beyond noting that it was a "ho-hum" budget doing little for this country. While it does result in a great deficit, I cannot make myself use some of the phrases heaped on the Conservative government of earlier years when it ran a deficit to help bring Canada out of a recession.

Perhaps there is merit, however, in quoting some of the views of members of the Liberal party on deficits. On June 22, 1961, for instance, the present Minister of National Defence (Mr. Hellyer) said, as reported on page 6887 of *Hansard*:

What a farce. This government has the integrity of an alley cat. After its whinings and howlings it refuses to take responsibility for its financial misdemeanours.

Then this gentleman went on to say:

The minister has said that this is not an ordinary budget. That is a mouthful even for the minister. He called it an economic budget. In truth it will turn out to be an economic bungle.

The present defence minister went on to attack the then minister of finance by calling him a blushing bride, one who puts woollen stockings in a washtub of boiling water and finds on removing them that they have shrunk to a considerably smaller size. I quote his words:

We wonder to what extent the Canadian dollar will be shrunk as a result of the monetary expansion which the minister of finance may have to prescribe in the existing circumstances.

Then, along came the present Minister of Transport (Mr. Pickersgill). His major contribution to the debate began with these words:

I thought someone on the other side would have been able to find something to say in favour of the budget, but in fact I am not in the least surprised that they have not been able to do so.

With these descriptive phrases, he declared our budget of that time to be the greatest anticlimax in history.

[Mr. Monteith.]

Then the present Secretary of State (Miss LaMarsh) had her turn. She said:

Alas, the people of the country are left as a woman is left in the lurch waiting at the church—

Then she went on:

We wonder why the Canadian people are restless and afraid. Why do they have no confidence? Why will they not invest their money in Canada?

I am not one of those, Mr. Speaker, who can use such telling phrases in regard to the Liberal budget or really cast such reflections on the work of any man. However, I cite these remarks as examples of what the present government members think of budgets which produce deficits. These quotations from these ministers go back to 1961. They were castigating the deficit of a Conservative government, but the deficit of that day was not like this Liberal deficit. The economic requirements of the day made the Conservative deficit good, common sense, something that helped the country, something which created jobs. The deficit of that day did not bring more inflation as this Liberal deficit is bound to do.

The other evening the minister casually brushed over the effect on the money markets, interest rates, international affairs and domestic prices of his tremendous call for cash to finance this government's operations. He noted that this year he will require \$1,520 million, double last year's figure of \$719 million, to meet requirements over and above those which taxes can provide. Where will the money come from? It can only come from printing more money, creating bank credit, raising taxes later in the year or raising large sums of money from the public by selling government bonds and other securities.

I should like to say a word here about the projected deficit. Let us not fool ourselves. If the government predicts a deficit of \$741 million the government probably expects a deficit of \$1 billion, the largest by far in Canada's history. There will be supplementary estimates, price increases, and a great desire to go on spending to try to make everyone happy in anticipation of a Liberal leadership race and a general election. All the signs point to the government having to move into the money market in a very big way.

The minister said that we face a major task in borrowing cash this year. As I said before, when the Conservative government used deficit financing the economy was far below its capacity. We used deficit financing to create jobs. Today, however, the Canadian economy is almost at capacity. Prices are rising.