

Supply—Finance

Mr. Pickersgill: He is certainly not out of the woods.

Mr. McMillan: —among the thorns and brambles of debt; there is no doubt about that. Only once or twice has he seen the tall timbers, in December, 1957 and again last year when he predicted surpluses; but these were hewn away. The government tried to rescue the minister and tried to entangle Mr. Coyne so that he could take the blame. The people of this country have not been fooled by this subterfuge of substitution. So the minister, I say, is still in the underbrush.

Mr. Chairman, I intended to deal with two or three other matters but I will not do so in view of the hour. I intended to raise the matter of the minister's responsibility for monetary policy. I know the minister announced outside the house that he would accept the principles laid down by the new governor, Mr. Rasminsky. I saw that in the press, but the minister has never announced it in the house. I think he should announce in the house his idea of his responsibility in connection with monetary policy.

Mr. Benidickson: That was another flip-flop.

Mr. McMillan: I will not deal with that matter further. The minister said recently that we should have lower interest rates. I maintain that he only pays lip service to this matter because when we consider his actions in connection with interest rates we find that the high interest rate of 6½ per cent on mortgages was actually set by him. In connection with the conversion loan the minister devised a way to pay bonuses to those people who would take a 50 per cent increase on their interest.

Mr. McIlraith: He was ingenious in that one.

Mr. McMillan: On different occasions he also devised a way to sell short term bonds to large investment dealers at a low yield but with a high discount. This would help them and would be of great advantage to them tax-wise.

Mr. Benidickson: Capital gain.

Mr. McMillan: When the provinces started to use this device to get people to buy their bonds, the minister immediately brought in legislation to prevent their doing so. The minister has set these new rates on the present conversion loan on the Canadian savings bonds.

I also intended to deal with the exchange rate, but since the hour is progressing I will not do so. I just wish to say one word about what has taken place at the commonwealth

conference in Accra. I think most people in Canada think the minister is at least consistent in his antagonism toward Great Britain, particularly when Great Britain is trying to do something to help her economy in giving consideration to entering the common market. I must say that I was shocked but not surprised when I read some of the articles on the commonwealth conference in Accra. I was not surprised because I remember that at the first commonwealth conference that took place after this government came into power—the conference was held at Mont Tremblant, near Montreal—Mr. Thornycroft, at that time led the delegation from the mother country. Some of the press said that our Minister of Finance used sledge-hammer tactics when softer words would have suited his purpose better.

Mr. Benidickson: A sledge-hammer to deal with a tack.

Mr. McMillan: With regard to the most recent conference, the press has accused the two ministers of ganging up against the mother country. We have heard the ministers' explanations. I saw a cartoon in the *Victoria Times*. It depicted two valiant hunters, the two ministers, going out and bagging the British lion and delivering it here to their chief. I think the British lion is just hurt. She has been very docile and has not said much in retaliation. This reminds me of a mother who is not willing to correct her defiant child in public. Already the press is reacting in a way best expressed in the words of the *London Spectator*:

Having made such a mess of her own economics, it is not for the Canadian government to lecture us on ours.

The press in England and in other countries is now aware of the economic mess in which we find ourselves in Canada. Some portions of the United States press in particular were outspoken in this respect at the time of the Coyne affair and at the time the minister brought down his budget. There is nothing new in all this. We have been telling this to the people of Canada and to this government for a long time. We have continued to say that they are getting us further and further into an economic mess. I would say that today with a continuing and persistent deficit of \$2 million a day we arrived there long ago.

I wish to refer to one other matter. This is a matter I raised the other day during the discussion on the estimates of the Department of National Revenue, and it is reported on page 8746 of *Hansard*. I will not go into the matter in detail at this time, but it is concerned with item 709a of the Customs Tariff Act. Under this item Canadian tires can be sent abroad and brought in duty free on United States-made automobiles and trucks.