

The Budget—Mr. Stanfield

Mr. Stanfield: There is now such wide agreement on this point that I do not propose to spend very much time today discussing this aspect of the matter. But one day I had some things to say on the subject when the minister happened to be absent from the house, and he thought it was not very sporting of me to say those things while he was away. Therefore I shall touch briefly on the matter today.

I would remind the house of the assurances given by the former minister of finance, the present Secretary of State for External Affairs (Mr. Sharp) last autumn and through the winter, and of the assurances given by the present Minister of Finance (Mr. Benson), who was then the president of the treasury board. I will not weary the house with the extensive remarks of the Minister of Finance about the sophisticated methods he and his associates had to forecast expenditures for five years, and how he went on to say that his methods had become so sophisticated that there would be no need for supplementary estimates or anything of that sort any more.

The Minister of Finance gave his personal guarantee that expenditures would not exceed \$10,300,000,000 in the current fiscal year and that the budget would be balanced. I would admit that one can be wrong in estimates. Everybody having any responsibility in connection with government matters has sometimes made a mistake in estimates; but this is much more than an error in estimating because one has to recall the context with respect to the question of the estimates at the time, and the firm assurances and personal guarantee of the minister to that effect. One has also to consider in this context the crisis that developed through the winter and into February, the crisis in confidence. It was partly a matter of external confidence but was also very much a matter of confidence in Canada, involving doubts about our fiscal position and about the determination of the government of Canada to fight inflation.

It was in this context that new and even firmer assurances were given by spokesmen for the government. The ceiling on expenditures would be reduced by a further \$75 million so as not to exceed \$10,225,000,000, excluding medicare and the costs of adjusting Expo, a saving clause put in by the then minister of finance. But at that very time, during that very month officials of the government were being informed by officials of the government of Ontario that their expenditure and forecasts under the shared cost programs were very much out of line.

[Mr. Stanfield.]

Yet despite this knowledge, and continuing on beyond the time that provincial governments were tabling their estimates in the provincial legislatures, assurances from the present Minister of Finance and indeed from the Prime Minister (Mr. Trudeau) continued. They continued through the spring. They continued through the election campaign. They were incorporated in a prospectus filed with the S.E.C. in the United States in which the government of Canada, through the agency of the Minister of Finance, gave an assurance that the government of Canada intended to maintain a ceiling of \$10,225,000,000 on estimates. There were no exceptions in that assurance at all and it was said that this would bring the budget close to balance.

What explanation has the Minister of Finance given for the solemn assurance in that prospectus, as compared with the actuality first indicated in the revised estimates tabled in the house and more recently in his own budget speech? All he has been able to say in this house is that he, realizing at that time that the expenditures on shared cost programs and certain other statutory forms of expenditure were exceeding estimates, hoped to be able to offset this by reductions in programs he could control. The only mention of any savings in programs that could be controlled last winter, last spring and even more recently, was the figure of \$75 million to \$80 million. How the Minister of Finance can pretend he had any reasonable justification for hoping that the increased expenditures on shared cost programs, which we now know will amount to some \$400 million, would be offset by possible reductions of \$75 million is beyond anybody's comprehension, and I think it must be regarded as one of the lamest excuses ever given by a minister of finance in this house.

Some hon. Members: Hear, hear.

Mr. Stanfield: As a matter of fact what disturbs me as much as anything else in this whole incident is the fact that the government has not felt it necessary to give the people of Canada any explanation.

Some hon. Members: Hear, hear.

Mr. Stanfield: Its attitude is so completely cynical that it is not even bothering to go through the motions to give this house or the people of Canada any explanation.

Mr. Benson: I have given the explanation, but you won't listen.