

*The Budget—Mr. Regier*

people of Canada there is nothing in it except higher taxes, higher interest rates and a rise in the debt of the federal government. There is nothing in the contents of the budget which will supply any hope to our unemployed, to our farmers, to our basic enterprises and to our secondary enterprises. There is in the budget no hope for those responsible for raising the necessary financing for the operation of either the provincial or municipal governments.

I realize that the minister is most able to present the budget of Canada for the government of Canada in as excellent light as it is possible to present a budget of the kind that he has brought before us. I will not attempt to assist him in that most able performance of what is a message of very little comfort indeed for the Canadian people.

I notice that the minister has made many admissions of failure in the budget. I grant that those admissions were very ably presented so that to find those admissions one really has to look very hard indeed. The minister has been able to persuade most Canadian newspapers and magazines—and he was able to accomplish this even before the presentation of the budget—that things are on the upgrade in Canada. There has been indeed a lot of whistling in the dark to keep our spirits up. The minister was very adept indeed on Thursday last at pouring on a lot of soothing syrup. There were plenty of words, exceptional language, there was excellent oratory, indeed, as only he is able to present oratory. However, as I listened to the minister, Mr. Speaker, it reminded me of a very conscientious clergyman who typed out his sermons and left rather wide margins. His sermons were also like the minister's speeches, on the lengthy side. On one particular margin of one particular page he had inserted the note, "Argument weak here; shout like hell". After listening to the minister, after considering the effect of the budget on the economy of Canada, we realize why the excellent oratory was indeed necessary.

The minister has a remarkable ability to use argument to prove prosperity when in the argument itself there is an admission of failure. I refer to an old term used in senior government civil service ranks which dates back—the minister did not use this one; however it is a play that can be put on words—I remember a Liberal minister of labour who used to talk about the decrease in the rate of increase when he gave us figures on unemployment. The other day the minister used the sentence, "Our net borrowings should be less than one-half", definitely conveying to the average layman, not spending too much time on the budget, the impression that we

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were about to reduce our debt. Actually I must admit that the minister said no such thing. However, his statement, "Our net borrowings should be less than one-half" invited the reaction and led many people to believe that we were about to reduce our debt.

It is our contention, Mr. Speaker, that the economy of Canada has reached the stage of being in very deep trouble indeed. I see that even the minister admits this, although inadvertently, because on page 2425 toward the end of his remarks, he said:

Canada has no reason for fear.

I hope the minister can explain why he felt it necessary to insert in his budget speech the sentence, "Canada has no reason for fear." We maintain that there is a good deal of fear. The minister only has to look at interest rates to realize that there is a good deal of fear. I feel that he admitted that. However, he is attempting to wish it out of existence with the sentence, "Canada has no reason for fear."

It is our contention that the Tory party and the government, not only at election time but since, have been misleading the people of Canada as to what the true situation is, especially in the fields of unemployment and economic recovery and particularly so in the field of public finance. I have here a clipping from the *Globe and Mail* of March 6 last and under the heading, "Questions and Answers for Investors" there is an article published by Wood, Gundy and Company Limited containing a graph comparing yields on bonds and yields on stocks. It shows that the exceptionally high and excessive yields from investment in Canadian equities, which we in this group have advocated should be made more moderate by the imposition of heavier taxation, have forced a rise in interest rates on government borrowings until today, without considering the dividend income tax provisions, the returns from bonds are higher than the returns from investment in Canadian equities. That is something that has not happened during the whole period covered by the graph which begins with 1949 and goes up to 1959.

On many occasions we have called for the establishment of a national investment board and I note the odd place where our approach to this problem is being met. I have here a report in the *Globe and Mail* of March 31 from Madrid which reads as follows:

The Spanish government announced here details of a new anti-inflationary law aimed at controlling public and private investment and steering it into areas useful to the nation.

In this modern day and age we feel that that concept will eventually have to be accepted as being one of the responsibilities.