recalling with considerable distaste the television and radio eloquence of the Prime Minister, the sledge hammer arguments of the Minister of Finance, the high advertising campaign and its very considerable expense and perhaps in particular they remember advertisements such as those which encouraged females to take advantage of the premiums and buy new hats. They remember all these things but what they are perhaps most conscious of is the fact that they have suffered promptly very substantial capital losses.

I have been disappointed to find in the explanation we have received from the ministry that there is an indication that they seem to be proud that they put something over and that this saved the crown some money. If in August the government knew what was likely to happen to bond prices and still went ahead with the conversion scheme, the complaints we are getting from the public are justified. If the government did not know what was going to happen then I feel it should have been better informed. If the government did not know, how much reliance can we place on the predictions and comments we might get along a similar line at this time? In any case, I think it is extremely poor taste on the part of the administration to brag about the success of this conversion operation which has resulted in a great number of their fellow citizens being victimized by sustaining very injurious losses.

A great number of matters are referred to in the minister's speech with which one would like to deal, but the debate will be going on for some days and there will be many others more competent than myself to deal with them. In addition, it is an unusual debate in that it provides several stages for further discussion, namely the resolutions, the bills and so on. As I said the other night, one of the most impressive things, because of the relative silence, in the budget speech, was the reference to unemployment. We are all very concerned about the fact that if the recession is disappearing it is doing so much faster than unemployment.

Probably many of us read recently the report in the *Financial Post* of a very wide canvass of businessmen as to the economic prospects. Quite a number of them indicated that in their opinions there could be an expectation of an increase in profits, in output and that those were inching upwards in probably a majority of instances; but 70 per cent of those consulted said that they foresaw no increase in the labour force even in consequence of an advance in those other sectors. These are the things that we have heard little about from the administration and I hope that those who follow me in the debate will say more about government intentions in this all-important field.

I move, Mr. Speaker, seconded by the hon. member for Welland (Mr. McMillan):

> That all the words after the word "that" be deleted and the following be substituted therefor:
>
> "this house regrets the bad faith of the government, which sought and secured support from the Canadian people on a program of lower taxes, reduced expenditures and a balanced budget, and which has now produced, in flagrant disregard of pre-election promises, a budget calling for higher taxes, record expenditures and a large deficit.

**Mr. Erhart Regier (Burnaby-Coquitlam):** Mr. Speaker, the country has waited a long time for the bringing down of the budget. We have all recognized in this as well as in other commonwealth countries that the contents of the budget must not be revealed to anyone before the budget is actually presented to the house and to the country. I do not for a moment assume that there was a leak of the contents of the budget this time. I know that a member of the fourth estate is, however, a senior adviser and it is likely that when some months ago he was asked by the Minister of Finance (Mr. Fleming) what his opinion was as to the contents that the budget should contain he supplied a little advice to the Minister of Finance and he assured him that that advice would be accepted. I have reference to an article in the Montreal *Gazette*, dated March 12, 1959, under the title, "Ottawa Day By Day", by Arthur Blakely, in which he says among other things:

> Rightly or wrongly, the general expectation is that Mr. Fleming will not postpone a decision any longer but will move, in the new budget, towards a restoration of the rough state of balance between budgetary revenues and budgetary expenditures.
>
> It is also assumed that he will not attempt to restore this state of balance in a single budget, but will take some remedial action now and defer later measures (which might be made unnecessary by a new buoyancy in the economy) until later.

Then, a little farther on at the end of the article he says:

> It would not surprise many observers if Mr. Fleming made the fund—

And he is referring to the old age security fund.

> —again self-supporting by the imposition of a 3.3.3 formula, taking one additional per cent from personal income tax, corporation tax and sales tax.

I for one would like to congratulate this member of the fourth estate for having a keen insight into the operations of the mind of our Minister of Finance.

When we look at the budget which has been revealed we realize what a disappointment it is indeed because for the masses of the