

Supply—Finance

All I have done is repeat a statement which was given by the minister over his own signature, as reported by the *Canadian Press*. In this statement the minister himself has demonstrated that during the month of October, when he made his budget speech assuring us that in future his government intended to balance the budget, at the very moment he was speaking the government was spending \$52 million more than it received in revenue, and overspending by three times as much in that month as it did in the same month a year earlier. Those are the facts, and those are the figures.

Mr. Benson: Would the hon. gentleman like an answer?

Mr. Hees: Yes, I would—if there is one.

Mr. Benson: The hon. gentleman has a great deal of experience in finance and I know the tremendous job he carried out prior to being in parliament. He knows that monthly figures are not in themselves indicative of the final result, that in any particular month of the year expenditures can be high and revenues somewhat low. There are variations, depending on the amount of money spent in a particular month, how far contracts have gone, and so on. I simply repeat that I have no reason whatever to change the estimate I made in my budget, which indicates a deficit in 1968-69 fiscal year and a relatively balanced budget in 1969-70.

● (3:40 p.m.)

Mr. Hees: The minister can claim it was unfair to take one month alone and compare it with another month. In the first seven months of the fiscal year government expenditure exceeded revenue by 30 per cent. In other words, during those seven months expenditure was 30 per cent more than revenue. This figure is even higher than the figure for the same period in the preceding year. This gives a pretty good indication, Mr. Chairman, that the government has not been able to curtail its expenditure. I suggest the fact that expenditure exceeded revenue in the month of October by \$52 million is somewhat alarming, in that this is three times the excess of expenditure over revenue in that same month the year before. Although this is not entirely indicative of what the total figure will be at the end of the fiscal year, I suggest that we cannot rely on the minister's assurance that everything is going to be all right. If we were to do that, then criticism or debate in this house would be completely meaningless.

[Mr. Hees.]

The Canadian people are worried about this situation, Mr. Chairman, because they are the ones who have to pay for this excess of expenditure over revenue. The Canadian people want to know what the minister is going to do to eliminate this differential, so that they will not be called upon to pay more and more taxes. In my question this afternoon I asked the minister whether the government expected to make a statement in the near future specifically outlining what it is going to do to bring expenditure and revenue further into line, a very logical and, I believe, sensible request. However the minister brushed it off as something that is of no consequence.

For the last three years, Mr. Chairman, the Minister of Finance has been making the same statements. For part of this time he was president of the treasury board. I remember when one year ago the president of the treasury board told the house that he had installed in his department a new computer system that in future was going to take all of the guesswork out of forecasting. He said there would be no more misforecasting.

Mr. Benson: Oh!

Mr. Hees: Well, Mr. Chairman, certainly that is the impression I received from reading his speech, and I am sure that is the impression the house received as well.

Mr. Stanfield: He gave his personal guarantee.

Mr. Benson: You were overimpressed.

Mr. Hees: I took the minister at his word and assumed that he meant what he said. I am sure the minister will agree, if he reads the speech he made on that day, that I am not being unfair when I suggest that that is what he meant.

As I say, Mr. Chairman, the Canadian people are worried about the mistakes or miscalculations that have been made by the government. During the recent election campaign the Canadian people were told on several occasions, both by this minister and by the Prime Minister that the government was going to balance its books; that they expected to have almost a balanced budget next time. But when parliament resumes it is advised by the minister that we are going to have a deficit of \$675 million, nearly three quarters of a billion dollars.

This is why we feel we must question the government about what steps it is taking to ensure that this overspending in which it has