

The Budget—Mr. Gray

of documents have been refused, and 14 requests, at the moment, have not been answered by the government. In other words, they have neither said that I cannot have them nor that they cannot be produced. They have given no reason at all. At the moment, out of 29 requested, four have been produced.

Hon. Walter Baker (President of the Privy Council and Minister of National Revenue): Mr. Speaker, I appreciate the kind remarks of the hon. member with respect to the productions that have taken place. I do not think I have to tell him that sometimes there is difficulty in locating the documents and the information. I think I can repeat to him the undertaking of the government to comply, to the greatest extent possible, with the request of hon. members.

I am sure the hon. member will be interested to know that in terms of the percentage of answers to questions, this government has exceeded the former government in the last session. If the hon. gentleman would like me to produce statistics with respect to that, I shall be pleased to do so.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, December 11, consideration of the motion of Mr. Crosbie that this House approves in general the budgetary policy of the government.

Hon. Herb Gray (Windsor West): Mr. Speaker, just before I adjourned the debate yesterday evening, I said:

The late R. B. Bennett would be proud of this new Minister of Finance this evening, but I do not think Canadians generally, especially middle and lower-income Canadians, would be proud of the minister or of the Conservative government. They will be hoping for an early opportunity to get rid of that government.

Of course, Mr. Speaker, R. B. Bennett was the Conservative prime minister and leader of the Conservative government that was in power in Canada from approximately 1930 to 1935, the years of the Great Depression. There are disturbing resonances and similarities between what the Minister of Finance (Mr. Crosbie) said and proposed in his budget last night and what Conservative ministers of finance said and did during the dark days of the thirties. They had the same fixation with the deficit as the present Minister of Finance and his government. Like the present minister, they insisted that tax increases, especially increases in sales and excise taxes, were necessary in order to reduce or eliminate government deficits, irrespective of the effects on the economy.

● (1550)

In 1932, for example, the Conservative minister of finance of that day, in presenting his budget said, I am told, it was necessary, "at whatever sacrifice, (to) fully meet our financial

[Mr. Herbert.]

obligations, balance our budget and preserve our national credit". He went on to say:

This course may result in hardship. It may entail sacrifice. But in the long run it will result in less hardship, it will call for less sacrifice than that which would flow from a policy less courageous.

We know all too well the results of that courageous Conservative policy of the 1930s. It helped push Canada into a depression, with untold hardship for millions of Canadians. In comparing what the minister proposed last night with what his predecessors did in the early years of the 1930s, it is obvious that the minister and his Conservative colleagues are like the Bourbon kings of Europe, of whom it was said regarding their past experience, "They learned nothing and they remembered nothing".

Some hon. Members: Hear, hear!

Mr. Gray: This cannot be said of the Canadian people. They remember the harmful effects of Conservative policies during the 1930s and the harmful effects of Conservative policies during the years of the Diefenbaker government in the late 1950s and early 1960s. They remember the harmful effects on the Canadian economy of the Conservative non-government that we have had already over the past six months. The Canadian people have also learned a lot from what happened to Canada in the past 50 years during those times when Conservative governments were in office. The Canadian people have learned a lot from observing what is in this budget and comparing it with what the Conservatives promised in this House before the last election, and on platforms across the country during the election campaign.

The Conservatives promised that they would reduce personal income tax to Canadians by some \$2.5 billion. They promised to do this in their first budget. They promised to do it even though they believed the government's budgetary deficit to be too high, and even though they predicted it would be higher than the Liberals predicted it would be, and higher than the Minister of Finance admitted it has turned out to be.

On November 20, 1978, speaking in the last budget debate, the Prime Minister (Mr. Clark), then leader of the opposition, said, "We are in a deep deficit position today in this country". But in spite of this, he went on in the same speech to say that Canadians needed a "decrease in federal income taxes of at least \$2 billion in favour of all Canadians who could spend that money quickly here in Canada". I say that is quite a change from what we heard in the budget speech last night. The Prime Minister also proposed, at the same time, his mortgage interest deductibility scheme.

In that same debate, the budget debate of last November, the President of the Treasury Board (Mr. Stevens), then the spokesman on finance for the official opposition, said that the deficit for 1979-80 would be \$13 billion. This turned out to be quite incorrect. In fact the Minister of Finance has admitted the deficit is substantially below that figure.

The President of the Treasury Board, when he was spokesman on finance for the official opposition, argued also in that debate that the budgetary deficit of the government would rise