

*The Budget—Mr. R. N. Thompson*

Unfortunately the budget introduced in this house on October 22 is stark evidence that Liberal governments since 1963 have insisted and continue to insist on adopting fiscal policies that can only be described as irresponsible. The credibility gap in government fiscal programming is very wide indeed and continues to widen. These are not idle words, they are not at variance with the facts, nor do they differ from comments I have made in this house in regard to the policies of Liberal governments since 1963.

The tragedy of it all is that the government does not learn from its errors. In fact, it seems determined to perpetuate them even in defiance of what its own members must know is a wrong financial policy. It is little wonder that Hon. Robert Winters, former minister of trade and commerce, said last January when announcing his candidature for the Liberal leadership that the Liberal party, the Liberal government, must return to fiscal responsibility.

**Some hon. Members:** Hear, hear.

**Mr. Thompson (Red Deer):** I would have thought the present Minister of Finance might have learned from the errors of his predecessors and from the advice of such men as the hon. Robert Winters, but apparently he has not. Government expenditure has increased to \$10,780 million, bringing with it a deficit of \$675 million. On December 7 last the Minister of Finance said, as recorded on page 5180 of *Hansard*, that government expenditures would be held to \$10.3 billion. He said the same thing the next day. On February 13 this year the Minister of Finance said, as found on page 6663 of *Hansard*:

Mr. Speaker, I should like to guarantee to the house that after the supplementary estimates are introduced during the year... we will hit our \$10.3 billion ceiling and will balance the budget this year.

He was speaking then as minister of national revenue. What has happened in the intervening months? Is it any wonder that the Canadian people see the credibility gap growing wider and wider? Is it any wonder that financial and economic authorities in this country almost unanimously say that this budget is a tragedy for the nation?

The Secretary of State for External Affairs (Mr. Sharp), who used to be minister of finance, said the same thing. In fact, I believe the Minister of Finance was merely repeating statements that the then minister of finance had made. The then minister of finance said

[Mr. Thompson (Red Deer).]

on November 10 last year, as recorded on page 4124 of *Hansard*, that budgetary expenditures in 1968-69 would be held to \$10.3 billion. He said the same thing later that month on November 30, as found on page 4900 of *Hansard*. He also said the same thing on a number of other occasions. It is little wonder that a well known journalist, Peter Newman, who is usually rather lenient in his criticism of the government, said on budget night that not since world war II have the national accounts been in such a mess. I say to hon. members opposite and to the new members of parliament, because I am sure they share this concern, that this is just not idle talk from the opposition; these are facts.

Where do we go so far as the finances of our country are concerned? Let us look at what has happened during the last year. The deficit is now estimated at \$675 million, but the government informed us last February that it had cut back the planned expenditures for the current year by \$800 million. In addition, new taxes imposed in this budget are going to raise the tax load on the taxpayers of this country by \$440 million. Then, the increase in postal charges will cost the Canadian people another \$100 million. We must consider this because it is really a new levy as well. When these figures are added together we find that there has been an increase in expenditures of more than \$2 billion. To be exact, it is \$2,015 million. This is the increase in government expenditures since 1966-67. The situation can only be described as fantastic, sheer fiscal irresponsibility.

● (4:40 p.m.)

The present Minister of Finance has said that he will balance the budget next year. I cannot believe it, and I do not think anybody else can believe it. Where has the credibility of this government gone? It has been said that a good economy, in one respect, resembles a sponge. A sponge can soak up a lot of mess but when the sponge becomes saturated then the sponge itself becomes a mess. This is exactly the point this government has reached. This is why I am concerned. I am concerned about the well-being of our country. If the sponge is going to become useful again, I believe the only way will be for the mess the sponge has taken unto itself to be wrung out, and the government is unable to do this.

One of the unexpected increases in government expenditures, we were told by the Minister of Finance, was the increase in the