

Supply—Finance

on this side of the house should read the press. He emphasized that on two or three occasions.

Mr. Fleming (Eglinton): I did not make any such statement.

Mr. McMillan: I should like to ask him to read the press himself. I have some press clippings here and I am going to read the headlines. I have the *Halifax Chronicle-Herald* of May 25, 1958, with the headline, "Confusion In Financial Policy"; the *Hamilton Spectator* of May 2, 1959, "No Easy Path Back to Sanity"; the *Financial Times* of May 8, 1959, "Does Mr. Fleming Not Know Better"; the *Lethbridge Herald* of May 5, 1959, "Tight Tory Money"; the *Winnipeg Free Press* of May 12, 1959, "The Result of Tory Financial Mismanagement"; the *Toronto Globe* of December 31, 1959, "12 Months of Mystery", and the *Toronto Globe* of May 15, 1959, "Oh Mr. Fleming". That last headline appears over the column "Looking Into Business" in which the writer, Mr. Fraser Robertson, says:

The unhappy part about Mr. Fleming's vacillation is that it is all unnecessary. There is no reason for his half-truths about the financial situation.

I have never gone that far. I would not use the word "half-truth" because I know it is unparliamentary. In fact, I would not use it in any event but I have said that in the house he has continually compared apples with oranges. I think the fiscal policy of the government is made up of two phases. The first phase was the conversion loan as a result of which the people lost confidence in the fiscal policy of the government. The second phase concerns the effort of the government to extricate itself from the trouble.

What effort is the minister making to get out of this trouble? He has increased taxes by \$352 million. He has issued a lot of short term loans and each successive loan has a higher interest rate than the previous one. We know that some of these loans return to people with incomes taxable at a level of 50 per cent or over at least the equivalent of 8 per cent or more if they have bought bonds at par. That is what the government has done for the rich people. What has it done for the poor people? At Brantford on February 17, 1958, the Prime Minister said:

The humblest of our people will not be forgotten.

They certainly have not been forgotten. They are being charged more excise taxes, more taxes on their cigarettes and more on their beer.

Mr. Fleming (Eglinton): No change on beer.

Mr. McMillan: If they work and pay unemployment insurance they are paying more than their fair share to take care of

[Mr. McMillan.]

the depletion in the unemployment insurance account. I do not think there is any doubt about that.

What has been the result of the loss of confidence in our fiscal policy? Our bonds are selling among the lowest of those of the western free world. I said before that they were selling lower than those of Cuba but since the prime minister of Cuba has resigned their bonds have gone down as low as ours. Our bonds are selling lower in many cases than provincial and provincial guaranteed bonds. I put that on record not very long ago. We have a condition in Canada where the farmer and the corner grocery store owner can go to a bank and get money cheaper than the Dominion of Canada on some of its borrowings. This is forcing our provinces and utilities to borrow money in New York, thereby helping to maintain the premium on our dollar, which makes conditions bad for our exporters.

As I predicted, it has raised interest rates not only to the federal government but to the provinces and municipalities. It has increased the cost of living and the cost of production at a time when it is difficult for Canadian producers to get into the markets of the world.

I would appeal to the minister to listen to some of the things in the press to which he should listen. I would appeal to him to take some of the advice of the financial men who this last year have taken the attitude that the best way to help our provinces and municipalities is to help ourselves by getting our finances in better shape here. If we do, we will reduce interest rates in this country and we will thereby reduce interest rates for our municipalities and provinces.

Mr. Herridge: Mr. Chairman, I spent some considerable time preparing what I thought was a rather good 30-minute speech on this departmental administration item. Here is the result of it. Self-sacrificing as I am, I am going to lay it aside. In view of the time factor and our general desire to get through this session this evening, I am simply going to bring to the attention of the committee that our party's policy with respect to finance was presented to the house on January 29 by the hon. member for Timiskaming in which he dealt with the problem of inflation, with which the hon. member for Welland has just been dealing. Again, in seeking supply, the C.C.F. policy with respect to this question was stated.

I must say, Mr. Chairman, I had looked forward to the opportunity of informing the committee and the minister, advising the minister, and I trust everyone will appreciate what we are doing for the sake of advancing