

Government Monetary Policy

social agency to get enough help to keep their families together. This surely is not good enough in a society where the government has contrived, deliberately or otherwise, to pay high interest rates to those who have money. I think this is a terrible indictment of the government. This surely is not in keeping with the promise of the Prime Minister that no one would suffer from unemployment as long as he was Prime Minister.

In connection with unemployment, I notice different hon. members rising in their places in the house and talking about, or giving figures on, unemployment at this time, and comparing it with previous times. I think they forget one thing. They forget that the unemployment insurance fund went up from zero to over \$900 million under the former administration, and in these last three years it has come down to a point where it is almost bankrupt. I think the advisory committee admits that in their last report.

What has been the government's cure? The government called us back here early in the fall and the minister brought in a budget. There is only one thing in the budget designed to stimulate our economy, and that is this: The minister raises from \$25,000 to \$35,000 the amount on which the lower 21 per cent of the corporation income tax will apply. Out of this new provision a firm making \$30,000 would save \$1,500, and a firm making \$35,000 or more would save only \$3,000. This is not enough in either case to put one man to work.

There is another plan in the budget under which the minister says he will allow double depreciation for one year in those distressed areas where they have had chronic unemployment for some time.

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Speaker. The hon. gentleman thinks he is back in the budget debate. The budget debate was concluded several weeks ago when the motion to resolve the house into committee of ways and means was adopted. The resolutions can be discussed in the committee. Therefore, I suggest it is not relevant to this present amendment concerning monetary policy and similar questions. Surely, we are not discussing the budget resolutions on this amendment.

Mr. Chevrier: Mr. Speaker, I submit with deference to you that the discussion which has been carried on by the hon. member is clearly and squarely within the terms of the amendment. I think it ill becomes the Minister of Finance to raise a point of order on that matter. If he had wanted to do so I think he could have objected earlier in the remarks of my hon. friend. He did not, and the hon.

[Mr. McMillan.]

member who has the floor now has been dealing exclusively with the amendment now before us.

Mr. McMillan: Mr. Speaker—

The Acting Speaker (Mr. Rea): Order. I do not object to the hon. member referring to the budget, and ways and means, but I do not think he should make his whole speech on the budget. I suggest that he come a little closer to the amendment.

Mr. McMillan: I will leave unemployment since we can deal with it at another time and I will touch on another subject which is perhaps appropriate in this debate. I have here an issue of the *St. Catharines Standard* of a little over a year ago. At that time Mr. Grosart of the Prime Minister's office was in the Niagara district making a speech to the party faithful.

An hon. Member: Where was that?

Mr. McMillan: In the Niagara district.

Mr. Fisher: He is their organizer.

Mr. McMillan: According to his speech, he was not worried about the debt because he said it was easily manageable. He said that he thought the Minister of Finance found the debt easily manageable. Mr. Grosart referred to another matter. He did not think that the government was getting through to the people. I think I can ease his mind on that score and say that the government has got through well to the people. I never knew before who the mentor of the Minister of Finance was. Unfortunately Mr. Grosart's statements do not appear in the press very often and it is hard for us to know what the financial and fiscal thinking of the government is. The Minister of Finance certainly does not take us into his confidence and we would like to get some information from someone in the government.

The other night the Minister of National Revenue (Mr. Nowlan) was in London and he talked about the possibility of an increase in income tax and of a deficit next year. I do not think there is anything new about the matter of a deficit because I think it was three years ago that I predicted that the present Minister of Finance would never have a surplus. Therefore I do not think the Minister of National Revenue (Mr. Nowlan) was giving us any new information.

Mr. Woolliams: Could I ask the hon. member a question?

Mr. McMillan: After I am through. If I am not out of order, Mr. Speaker, I will make a short reference to trade. The government is trying to do all it can to boost our economy by increasing trade. In December,