

The Budget—Mr. Gordon

Mr. Deputy Speaker: Has the hon. member unanimous consent to withdraw the bill?

Some hon. Members: Agreed.

Order discharged and bill withdrawn.

Mr. Deputy Speaker: The hour appointed for the consideration of private members' business having expired, and it being six o'clock, I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE
MINISTER OF FINANCE

Hon. Walter L. Gordon (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, somebody was kind enough this afternoon to give me my horoscope for today, which reads: "Don't worry over money matters". I do not think that is an appropriate horoscope for tonight, because in delivering tonight the first budget of this new government I am aware that it is my duty to present the facts as we found them on taking office. It is also my duty to ask hon. members and the Canadian public to face up to these facts and, having done this, it is my further duty to indicate the kind of measures which are needed to put our national affairs in order once again.

This then will be a "face the facts" budget. If we face the facts, and if we conduct ourselves accordingly, we in Canada can look forward to an exciting and prosperous future. If we are afraid to face reality, if we are afraid to take the actions and the decisions that are called for, then the consequences cannot be long delayed.

I shall begin my remarks this evening with a few words about the importance of the annual budget presentation and then go on to discuss the condition of our national economy.

We on this side of the house take the budget very seriously. We look upon it as an annual occasion of great national importance. It is an occasion when the government is expected to give to parliament and to the people a clear appraisal of the nation's financial and economic condition. It is an occasion when the government must outline the short and long term economic and financial policies it proposes to pursue to overcome

[Mr. Rapp.]

the problems and to convert the prospects into realities. Above all, it is an occasion initiating a grand scrutiny by parliament of the financial affairs of the nation. It is an occasion which should not and must not be avoided or delayed.

It is now almost exactly two years since there was a budget debate in this house. I remind hon. members that in the fiscal year which ended last March 31, the estimates for only six departments were called in this chamber, and even they were not approved. We have been financing for far too long a period on interim supply and Governor General's warrants. In a period of 14 months over \$5 billion has been spent by the government of Canada with no parliamentary authorization other than warrants and interim supply votes.

In the last parliament, no one was more critical of this state of affairs than we who are now on this side of the house. We protested vigorously in that parliament, and when it was dissolved we took the question to the people. The results indicated their conviction that an accounting before parliament for the nation's financial and economic affairs was due, and indeed long overdue. It is that accounting which will be presented tonight.

The year 1962 was a remarkable one in Canada's economic history. It was marked by an exchange crisis which followed upon five years of economic stagnation. It was also marked by the adoption of a fixed rate of exchange for the Canadian dollar, an action which was taken three weeks after the government of the day had indicated that it was not its policy to do so.

Despite the exchange crisis, and perhaps partly as a result of the devaluation which had been resisted for so long, the year 1962 was for Canada an improvement over 1961. This was evident in the industrial part of our economy, while in agriculture, too, incomes were up and acreage under cultivation increased. Details are to be found in the budget papers tabled last Tuesday.

It is encouraging to record that the prospects for the current year are also favourable both in agriculture and in industry.

An hon. Member: What about prices?

Mr. Gordon: I will come to that. But the improvement we are now experiencing leaves no room for complacency. Our rate of growth over the past six years as a whole has been quite inadequate. We have had a falling rate of new investment. We have had chronic deficits in our international balance of payments. And most important, we have had chronic unemployment.