

*The Address—Mr. St. Laurent*

Perhaps that explains why I have heard laudatory remarks from many people in the United States about how we have been doing in Canada. I have heard also the same kind of remarks from some Englishmen. It may be that there, too, "distance lends enchantment to the view".

From the *Financial Post* I clipped an article, not because of what was written by the *Financial Post* but because of what was cited from the *New York Times*. One of the *New York Times* writers, Mr. Edward Collins, refers to the drastic dissimilarity between Canada and the United States. He says:

In this country (United States) we are talking about balancing the budget and putting the defence effort on a pay as you go basis. But Canada has been consistently budgeting for surpluses for several years, one of the consequences being that she has reduced her debt by 15 per cent since 1946. While our own treasury, with the undisguised encouragement and support of the White House itself, has resorted to every artifice to defeat the efforts of the federal reserve to tighten money rates, Canada has carried out a vigorous and concerted program in this area. While both the administration and congress here flinch at proposals for increasing consumer taxes, the dominion is raising almost half its revenues through this, the most anti-inflationary of all forms of emergency taxation. And while Washington has found even the modest restrictions imposed by the reserve board on instalment credit politically unendurable, a Canadian who wants to buy a car today must be prepared to put up half the purchase price in advance and pay the rest within 12 months.

The leader of the opposition said it was a mistake to restrict credit on cars and like articles.

**Mr. Drew:** To that extent.

**Mr. St. Laurent:** In this article that was not the view, though it may have been a mistaken view that the financial critic for the opposition was expressing at that time. It may have been a mistake in appraisal at that time, but the hon. member for Greenwood in his criticism of those measures when they were brought before the house said that they were too late and should have been adopted months previously. He said it was better late than never.

I am not suggesting this for the purpose of casting blame. I am bringing this before the house for the purpose of having everyone realize that we are dealing with a difficult problem about which any of us can make mistakes. I do not believe any of us can be sure in advance that any special line of conduct will not turn out to be mistaken. We have to do our best, and that is what we have been doing. We have been doing those things referred to, and we have also been endeavouring to keep down the civilian part of our budget.

[Mr. St. Laurent.]

In the broadcast I made in September I said that the government had made serious and constant efforts to keep down its own expenditures. In commenting on the broadcast the *Montreal Gazette* said that government savings had been like a drop in a bucket full of holes. Other critics are also fond of blaming the high cost of living on the alleged extravagance of the government, and its failure to keep its expenditures within bounds. In his budget speech last spring the Minister of Finance described the efforts that were being made to keep down expenditures. From my day to day contact with my colleagues I know that each one of them is watching the various phases of the administration of his department in an endeavour to keep down expenses. Hon. members know what efforts were made to reduce expenditures in the Post Office Department. They know the kind of reception those measures received throughout the country and in this house. While each one of my colleagues is giving careful consideration to some particular phase I felt that I should like to know how our expenditures on general services compared with the expenditures that were being made before the war. I asked the officials in the department of my colleague, the Minister of Finance (Mr. Abbott)—he was not here so I did not get his permission—to get figures and to give me a calculation, as accurately as they could, so that comparison might be made. It is exceedingly difficult to make a comparison, and I myself am not convinced that these figures will be convincing to others, but I wanted to know what they were. It is not easy to make comparisons because the services have been expanded; they have been modified; and of course a great many items of substantial expenditures have been added which were not there before.

I asked them to exclude, as not being at all comparable, the items on defence, on veterans' benefits and on the service of the debt. They result largely from the last war and that made a complete change in the situation. There have been modifications in other expenditures. Before the war one of our substantial items of expenditure was unemployment relief. The comparable expenditure is not on so large a scale now; our contribution to the unemployment insurance fund replaces that expenditure. But it seemed to me that the only useful way to make a comparison would be to see what we are now spending on the services which existed before the war, although they have been expanded.

I asked them to show me what the expenditure was in 1938-39, excluding defence,