

The Budget—Mr. R. A. Bell

the so-called new party is nothing more than the old party with a new but equally repulsive socialist mask.

The amendment of the official opposition, now mangled and mauled as it has been, remains negative and destructive, illustrating only the barrenness of Liberal policy. What will interest the house now will be the tactics or the strategy of the official opposition. Now that their rally is over, will they pursue the stratagems which they adopted earlier in this session and which I can sum up in four words, fire and fall back. Yes, Mr. Speaker, their stratagems have been to fire and fall back; to criticize and criticize, to calumniate and calumniate; to scatter volleys of smears, sneers and innuendos. But when the chips are down, what a different story it is. Then, meekly, row upon row, up they stand to be counted in favour of that which they denounced, in favour of the very legislation for which they reserve their most violent strictures. How will they ultimately vote on this budget? Will they vote as they talk or will they continue, Janus-like, to face front and look back?

Last week, with the new found bravado, with what I thought was uncharacteristic bluster, the Leader of the Opposition (Mr. Pearson) expressed an urgent desire to commit political hara-kiri. That time, whenever it comes, I predict will be too soon to suit him, despite his roll of political drums, despite all his sounding brass and tinkling cymbals. Some of us have a rather vivid recollection of what happened after the last bold challenge hurled by the Leader of the Opposition. But before he commits political suicide on the electoral front, let him concern himself with this House of Commons. Specifically, I invite the Leader of the Opposition, when he speaks on this budget, to state where he stands on fiscal issues, to rationalize the approach that he and his colleagues have taken this session. It will be interesting to see what strategy the opposition will pursue in the future, the La-montagne strategy or the Walter Gordon strategy or just the old-fashioned strategy of Joey Smallwood's favourite disciple.

I want to discuss some features of the speech of the official critic of the opposition, the hon. member for Kenora-Rainy River. It seemed to me that he took a sort of gleeful satisfaction, sometimes a gloating self-satisfaction out of alleged variations or divergences between certain forecasts and actuality. Certainly his words were waspish and sarcastic.

Let me remind the hon. gentleman of three things. First, that the so-called divergencies between forecast and actuality,

[Mr. Bell (Carleton).]

whether in gross national product, in revenues, in expenditures or in deficit are much less than has frequently been the case, as indeed was the case during much of the time when he was parliamentary assistant to the minister of finance. What we had then was budgeting by accident. Second, when one is dealing with very large figures, percentage calculations of course tend to wide margins of error in lump sum figures. A 1 per cent error in a calculation of \$100 is \$1, but a 1 per cent divergence in a calculation of \$6 billion is \$60 million.

Finally, I believe the hon. gentleman should be fair enough to concede that forecasts were made in a very different atmosphere than today and that equivalent or greater margins have occurred during the same period in similar calculations in the United States and other western countries.

My hon. friend will recollect that in the United States and here, the year 1960, the new decade, commenced with what now appears to have been an exaggerated, or at least temporarily exaggerated optimism. In the writings of economists such phrases as "the soaring sixties" and "the sizzling sixties" were commonplace. Let my hon. friend read the business and economic periodicals at various periods in early 1960. I have a wide variety of extracts under my hand as I speak, and only wish that I had the time to place them on the record.

What they do establish beyond peradventure is that if the Minister of Finance has had a margin of error, he was in the very best company, governmental, professorial and editorial, in the United States, Canada and elsewhere. A most realistic comment is that made by the federal reserve bank of New York in November, 1960, at page 190 of its publication in reviewing developments for the year:

Through most of the year, the economy has been dominated by a process of business and consumer adjustments to the abatement of inflationary pressures and the dissipation of inflationary psychology. These developments have been associated with all-round ample capacity, ready availabilities of all kinds of finished goods and materials, and generally stable prices. This rather unspectacular period of adaptation has continued through September and into October and may yet have some distance to go.

With reasonable accuracy that describes as well the Canadian scene. But in this period of adaptation and despite these adjustments let us not forget that our production has risen, our G.N.P. is at an all-time high, personal incomes are at an all-time high, employment is higher—though regrettably accompanied by unemployment—retail sales have increased, exports are at an all-time peak. Now, in this budget, the government seeks to assist all