

The Budget—Mr. McMillan

Mr. Pickersgill: You ain't seen nothin' yet.

Mr. McMillan: Indeed, perhaps we "ain't seen nothin' yet". On August 10, when speaking on the estimates of the Department of Finance, I pointed out in the house how difficult it is for hon. members of the opposition to make much sense out of the estimates. I know that there were always some lapses in spending over the money voted in the different departments. I think this year they are out \$30 million or \$40 million and I can understand that but the minister himself under-estimated his financial requirements to service the public debt by nearly a quarter of a billion dollars in two years. I know that the minister excused himself by saying in effect that he would be revealing his mind to the financial community and it might affect the market on new bonds if he were to make known how much interest he expected to have to pay in any particular year but the difference between the estimates and the reality in terms of the cost of servicing the public debt seems colossal alongside the close estimates of former years. The minister is presently out by \$243 million in his estimating in two years.

I do not expect that the announcement made by the minister to the effect that he would have a deficit of \$286 million this coming year is necessarily right. I say this because when introducing the first baby budget on December 6, 1957, as reported at page 2002 of *Hansard*, the minister said:

Mr. Chairman, I have been asked several times in the house to give a financial statement. I welcome this opportunity of doing so and not least of all because of some of the things that are currently being said outside of this house.

On that occasion the minister went on to criticize the former minister of finance, Mr. Walter Harris, who two days previously in London had predicted that the government would wind up with a deficit the following March unless it cut down its high spending. The minister also criticized the then hon. member for Winnipeg North Centre who, according to the *Toronto Telegram*, the previous day accused the Minister of Finance of hiding the books from parliament until after the next election. The minister doubted that anyone would be so gullible as to believe these remarks. He could not understand why such irresponsible statements were made, he said. The minister went on to state that he accepted the former minister's figure on revenue but was changing his figures for expenditures. He said that there had been increases in expenditures arising in part out of the changing economic developments and in part from new policies of this government.

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In discussing the change in expenditures he first of all indicated that he was saving \$164 million in relation to Mr. Harris' expenditures. I have smiled about that ever since. The minister said he would then have a surplus of \$106 million but ended up with a deficit of \$38.6 million in three months. The minister was out by the sum of \$145 million in the three months to which the baby budget was to apply. It is therefore difficult for me to accept that the minister may be correct in his figure of \$286 million. He is probably out in this estimate and in all likelihood the situation will be worse. I have described what may be characterized as the prologue to all the weird financing we have seen on the part of this government.

I have read much in the current press concerning the recent baby budget. The premier of British Columbia said he would resign if he could not make better predictions than the Minister of Finance. Premier Frost of Ontario said that the Ontario public works program will have to be cut back as a result of United States capital being taxed coming into Canada, unless money becomes more freely available in Canada.

I welcome any provision by which Canadians can develop their own country. The slowing down of foreign capital coming into Canada will depreciate the Canadian dollar. This is all to the good as far as our exporters are concerned although it will tend to increase the cost of living as we will have to pay more Canadian dollars for our imports.

A better way to help our economy in my opinion would be to keep interest rates down. Certainly everything that this government has done has tended to increase interest rates. I admit that this is not the only reason for the stagnation in our economy but it is the main basic reason. Because we protest the high interest rates, because we protest their results, we are accused of being prophets of doom and gloom. We will be accused of preaching doom and gloom because we say that this budget has nothing for the little man, because we say it does not come to grips with the all important problem of unemployment. I certainly think something could have been done to stimulate our economy and help overcome unemployment. I am not surprised that the minister has not done something along those lines to help overcome this problem, particularly when we hear him say that there is no emergency in unemployment. I was going to quote something that I have heard so often. The minister has not denied it and I am sure he said it, that is that there is no emergency in unemployment.