

The Budget—Mr. Macdonnell

from sources other than newspaper reports have been helpful in enabling us to try to co-ordinate our actions in the manner that will best serve our common objective of trying to achieve a more settled situation in that area.

There are also other parts of the world where there are problems that give some anxiety in respect of world conditions, and no doubt they will be quite thoroughly reviewed. As to the matter which was alluded to by the hon. member for Eglinton (Mr. Fleming) this afternoon in a question based upon a news report in the newspapers which we have ascertained is inaccurate, we will no doubt take the opportunity of trying to ascertain just what the prospects are with respect to the matter referred to in that news report.

There are no doubt also other questions that will arise. We will try to convey to the Prime Minister all such information about what is taking place here as might be of interest to the United Kingdom government; and we will try to ascertain, without being indiscreet, everything the Prime Minister can inform us about that could be helpful in maintaining the effective pursuit of common objectives.

Mr. Green: Is there to be any discussion concerning the calling of a commonwealth conference?

Mr. St. Laurent (Quebec East): That is possible; but I am not going to take the initiative of requesting that there be a prime ministers' conference.

Mr. Green: Why not?

Mr. St. Laurent (Quebec East): Because I do not think that at this time we wish to lend support to these newspaper stories—and there have been some of them—that the lead in commonwealth affairs is passing from the United Kingdom to some other member of the commonwealth.

THE BUDGET**ANNUAL FINANCIAL STATEMENT OF THE
MINISTER OF FINANCE**

The house resumed, from Thursday, March 14, consideration of the motion of Hon. W. E. Harris (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, of course it goes without saying that we expected the Minister of Finance would do his best to please, or partially please, the largest number of taxpayers, and verily we have not been disappointed. Many things are in there, cocoa, pickles, ketchup, meat

[Mr. St. Laurent (Quebec East).]

extracts, candies, soft drinks are to be tax-free. As one commentator put it, "He nibbles away here and there at the vast load of taxation upon the Canadian people". "Nibbles", I think, is the right word. The great news, according to one of the newspapers in the province of Quebec, is that the minister has decided to do away with the tax on bubble gum. There seems to be some doubt as to whether this will decrease the price but at any rate it is easy to see what the minister was aiming at.

It is true that some practical people will complain that it would have been better to reduce the tax on, say, children's shoes than on chewing gum, but the minister's scatter-gun tactic was designed to cover a wide range and he presumably decided that it was wise to spread the jam as far as possible, however thin.

There are some glaring omissions. The minister is to spend some tens of millions of dollars on assisting the self-employed in the setting up of pension funds to protect themselves, with which we fully agree, but he does virtually nothing for the whole class of small taxpayers, to whom I shall refer later. The truth is that the government ignores the fact that the Canadian people are taxed too heavily; and while much of the taxation is concealed in deductions at the source, the great danger still remains that high taxes and high prices could seriously affect our competitive position.

Meanwhile the spending spiral goes on rising and rising. Take the results for 1956-57. The expenditures, together with the last supplementary estimates now total \$4,867 million. This means \$434 million more than the preceding year. Further, the minister tells us that he had a surplus of \$282 million, to which should be added \$100 million by reason of certain reserves which he set up.

Let us consider for a moment the effect of this large surplus, actually \$382 million, against an estimate of \$113 million. If it were caused by reduced expenditures, that would be a different story. But of course that is not so. Expenditures and taxation are both up. The minister has taken away from us nearly \$400 million more than he budgeted for, but, of course, he has also spent over \$200 million more than his estimate. The confessed surplus is \$282 million but that is not the whole story. The minister, as I said, has tucked away two amounts of \$50 million.

This means that the government has taken an extra \$382 million from the Canadian people. Philip Snowden used to say that if any government took half a crown more than it needed it was guilty of getting money