

The Budget—Mr. Harris

as an ally, but I suggest he should paraphrase what the newspaper said. If in attempting to advance his argument he is going to make a review of the press on that particular point, then contradictory articles will be introduced and we will have an argument between two members who are quoting newspapers one against the other. Argument in this house should be as between members and not as between newspapers despite the fact that newspapermen, as the hon. member has said, are not ordinary people.

Mr. Hamilton (Notre Dame de Grace): In view of the hour, will you call it six o'clock?

Mr. Speaker: As it is six o'clock we will adjourn, because we go into ways and means at eight o'clock and it might be preferred that the hon. member adjourn the debate now.

Mr. Hamilton (Notre Dame de Grace): I shall adjourn the debate.

On motion of Mr. Hamilton (Notre Dame de Grace) the debate was adjourned.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. W. E. Harris (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: Before I proceed with my remarks, Mr. Speaker, I think I ought to draw attention to the fact that it was 81 years ago this week that the first Liberal finance minister presented his first budget. Since Sir Richard Cartwright there has been a long succession of distinguished predecessors of mine: Fielding, Robb, Dunning, Hilsley and my immediate predecessor, Mr. Abbott.

Mr. Rowe: There have been some others.

Mr. Harris: My hon. friends opposite have their traditions also. They have had distinguished gentlemen in this portfolio. I mention only a few: Tilley, Tupper, Foster and, more recently, Sir Thomas White. At this point I should like to pay my respects to the memory of Sir Thomas White who was, as everyone knows, the finance minister in the first world war. He has just recently passed from us full of years and honours which were richly deserved for the service he gave to his country.

[Mr. Speaker.]

In presenting the ninety-first budget since confederation, Mr. Speaker, I have followed the practice of the last few years in placing before hon. members a white paper which contains the facts and the figures with respect to the accounts of the past year. With this white paper before you it will not be necessary for me to go into any great detail about the accounts for the time being. However, I wish to make a general survey of the economic conditions of the country and of the accounts of last year. In doing so I crave the indulgence of hon. members, who may recall that on occasion I have expressed certain views about the length of speeches in the House of Commons, because I am now obliged to break the rule that I have heretofore tried to observe.

THE INTERNATIONAL POSITION

I should like to begin with a short review of the international scene as it affects our budgetary problems.

On the political side, 1954 was a year of constructive achievement, although our hopes of realizing a permanent and stable peace continued to be disappointed. In Europe there was some easing of tensions as further improvement was made in the political and military strength of the Atlantic alliance. Hostilities in Indo-China were brought to an end and a number of countries in south and southeast Asia made additional progress in their program of economic development. Despite these improvements, however, the world situation, particularly in the Far East, remains troubled and uneasy, and it is abundantly clear that the free world cannot yet afford to relax its efforts to build up their defences.

We must therefore continue to expect substantial expenditures for this purpose.

In economic matters abroad, 1954 was in most respects a good year. In the United States, economic activity, after receding from the peak level of 1953, began to turn up in the last quarter of the year and has continued to improve since that time. This progressive improvement in the United States has been a very heartening development, not only to us but to all friendly countries.

Another encouraging feature of the past year has been the continued expansion in production in most overseas countries of the free world, particularly the United Kingdom and western Europe. As post-war shortages have been overcome, most of the controls and restrictions which distort production and hinder basic adjustments have been abandoned. This has undoubtedly helped to bring

