

traded off against an exemption of \$400 at the upper level.

**Mr. Sharp:** Not so.

**Mr. Lewis:** This is an example of the cynical morality of this government.

**Mr. Sharp:** That shows how cynical the hon. gentleman is.

**Mr. Lewis:** Look at the tender treatment given to the corporations. First, there is to be no increase in corporation taxes; those cannot be touched. The only so-called burden placed on corporations will be that instead of beginning to pay their taxes in the fifth month of the taxation year they will now be required to begin paying them in the third month. That is really rough, as one of my hon. friends says. I am not impressed by this step, though I do not object to it. After all, a worker, whether he receives wages or a salary, whether he works in a plant or an office, whether he is an office boy or an executive, begins his instalment payments with his very first pay cheque in the taxation year. I imagine therefore that the corporations will not be terribly upset by the slight adjustment the minister has introduced.

In short, the burden of this budget falls entirely on the ordinary Canadian. The mining, oil and insurance companies continue to enjoy undeserved concessions. The corporations generally get off scot free. Capital gains remain untouched. No wonder the *Toronto Star* says that this is a budget which favours rich industries at the expense of the average Canadian. This is exactly what it does.

There is a great deal of talk in this house and outside the house about cutting government expenditures. I expect we will hear today or tomorrow from the President of the Treasury Board (Mr. Benson) where the government intends to reduce the expenditures. In a moment I wish to repeat a suggestion we have made many times and which my leader made in this house as recently as November 20 concerning where massive cuts in expenditures can and should be made. However, at this point I should like to say very frankly that while the New Democratic party shares the universal desire that all unnecessary expenditures be trimmed, that all wastage be got rid of and that the public service be made as efficient as possible, we do not agree that the public sector is expendable; we do not agree that any of the basic services which are needed to give some

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security and comfort to the Canadian people should be cut; we do not agree that such an indispensable part of our social security system as medicare is should be delayed or eroded.

We do not agree that the first inadequate steps taken to encourage industrial research and development leading to improvement in productivity should be slowed down. We do not agree that any of the expenditures related to industrial development in disadvantaged regions of Canada should be curtailed; indeed, we believe they should be increased and accelerated. We do not agree that the totally inadequate federal program on housing should be tampered with at a time of a serious housing crisis.

It is our firm conviction—and I put it very frankly to members of the house, Mr. Speaker—that our modern technological age requires more and not less government involvement, more and not less government participation in the economy and a larger, not smaller public sector not only in the fields of social security and welfare but also in the fields of economic planning and development. This is where we differ fundamentally from both the government party and the Conservative party.

The spokesman for the official opposition who preceded me repeated that party's criticism of government expenditures and that party's demands for cuts in those expenditures. He did not indicate in his present speech any more than any other spokesman for the Conservative party has indicated exactly where they want the cuts in expenditures to be made. I believe they have a duty to tell parliament and the people of Canada exactly what government programs they want cut off or reduced.

**Mr. Sharp:** Hear, hear.

**Mr. Lewis:** Indeed throughout this and earlier sessions of parliament—certainly throughout the two sessions of parliament since the 1965 election—I have heard Conservative spokesmen demand—and we have supported the demands—that old age pensions be increased, that assistance to the provinces be increased, that other social security measures be increased and that assistance to housing be increased.

Mr. Speaker, if one is honest he must realize that these things cannot be done without an increase in the expenditures of the government. Furthermore, if one is honest he must recognize that when we increase the