

The Budget—Hon. M. Lambert

his budgetary deficit amounted to some \$735 million. He was aiming at a budgetary surplus on March 30, 1970, of \$5 million. Now he says that we are going to have a net revenue of about \$250 million to \$275 million, give or take a few millions. I quite readily understand that a variation of a fraction of 1 per cent in the estimation of revenues can produce quite a few millions of dollars; therefore I will not pin the minister down to the exact million dollars. But in effect, if there is no downturn in the economy between now and March 31, 1970, we may expect to see an extra \$1 billion brought into the federal coffers as a result of those tax increases. Since 1965 we have had nothing but a succession of tax increases. If we want to see why, we only have to look at the expenditure side.

I should like to quote some figures from National Finances, 1968-69, issued by the Canadian Tax Foundation, table 20 as it appears at page 15. According to the table, in 1963 the total expenditures of the federal government were \$6,570 million. That year there was a budgetary deficit of \$691.6 million. The revenues amounted to \$5,878.7 million. In 1969 the expenditure forecast was \$10,780 million. We have to go a little higher than that because the total of the main and supplementary estimates A and B for 1968-69 turns out to be \$10,823 million. The revenues in 1969 were \$10,105 million, again on an estimates basis. The estimated deficit was \$675 million. The revenues were higher because the added 2 per cent social development tax yielded some \$55 million to \$65 million in the balance of that fiscal year. Therefore the actual deficit on the basis of the predictions for 1969 was about \$735 million.

What are the estimates for this year? When a man deals with his expenses and sees he just cannot meet them, either he goes to his boss and says "I would like a pay increase so that I can meet my expenses", or he takes the other alternative and cuts his expenses. The Minister of Finance did both of those things. He went to the country and proposed to tax the people an extra \$1 billion. He did not cut his expenses. His thinking was to increase expenditures by \$880 million and thereby have total estimates of some \$11,858 million.

The other night the minister made a few minor changes. He will give the taxpayers a little bit of sugar to coat the very bitter pills which they have to take by saying, "all right, you can bring in some extra goods when you go travelling after I have hit you with an additional tax on the ticket you will buy". The minister lets us bring in from the United

[Mr. Lambert (Edmonton West).]

States or from other countries abroad the equivalent of \$100 more in goods that will be duty free. You are not allowed to bring in cigarettes or tobacco or an unexpended bottle of liquor duty free but you are allowed some little things up to \$5 every time you flip down to the United States for 48 hours, and it will cost us about \$25 million in order to give the taxpayer that tiny crumb.

All I say is that the government has continued to tax up to the level of its expenditures, and that is where I say that the government of Canada, being the senior government and the senior participant alongside the provincial or municipal governments, is setting the wrong example in taking some 35 per cent of the gross national product every year. All it does is to say that it is going to increase its expenditures and the taxpayer will just have to take it in the neck.

Of course the minister is interested in maintaining inflation. Why? Because of the nature of our income tax, both corporate and personal. As wages and profits go up in inflated dollars, the minister's stake is that much higher. The continual increase in revenues is not in real dollars. This year we saw a new cost of living index based on 1961 at 100 points, according to which we are already up to a little over 125 points, a shameful state of affairs especially for people with fixed incomes or pensions. What people who have put aside money in the form of insurance policies or annuities for their dependants have saved was frittered away last year at an increased rate of 3.9 points. Since 1963 the cost of living has continued to increase by an average of about 3½ to 4 points. That is a shameful situation. The government has blithely ignored it and is not doing anything about it in this budget.

In order to assist the house I will read the motion which I wish to put to the house, but I also have a number of remarks to make on the various proposals. However, I will read my motion first.

[Translation]

I move, seconded by my colleague the hon. member for Calgary Centre (Mr. Harkness):

That all the words after "house" be struck out and the following substituted therefor:

"regrets the continuing inability of the government to curb the relentless increase in the cost of living since 1965, while increasing the hardship on the unemployed, the poor, pensioners, farmers and other victims of the just society."