

The Budget—Mr. Gilbert

second class rates are statutory and it is about them that hon. members have voiced some objection. In any event, since 1961 the department has, under the regulations, increased rates for all non-statutory classes. As a result of these increases the post office has collected \$180 million more since 1961. That is why I suggest the other rates should also be increased.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Rapp: Let us call it six o'clock.

Mr. Deputy Speaker: Do hon. members wish to call it six o'clock now?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. John Gilbert (Broadview): Mr. Speaker, for some unknown reason it was predicted in press and radio reports over the week end that we in the New Democratic party would vote against the non-confidence motion which is to come to a vote tonight. This is quite incorrect, and no spokesman of this party gave any such indication. We do not agree with everything the Conservative party members have said in support of their amendment, but basically it is a motion of non-confidence in the government because of the imposition of unnecessary taxes on the people least able to pay them. When we proposed our subamendment last week we sought to make this point in even stronger terms, but there has never been any question as to how we will vote tonight. We shall vote for the non-confidence amendment and against the government.

For most Canadians, the mini-budget presented by the Minister of Finance (Mr. Sharp) represents mini-thinking and mini-concern by the government. In their speeches, my colleagues have stated that at this time the budget is unnecessary, contradictory and inequitable. It is unnecessary because the additional revenues to be gained for the current fiscal year are minimal and therefore the mini-budget could have been delayed until the spring. The government did

[Mr. Côté (Longueuil).]

an effective job of scaring the Canadian people by telling them that taxes were necessary to fight inflation and that personal income tax would probably be increased by about 10 per cent. Apparently the plan was that the Minister of Finance would then increase the personal income tax by about 5 per cent and tell the people that in the circumstances they are very fortunate. I suspect that the minister will add the other 5 per cent in his spring budget, on the basis that it is necessary to cover the expenses of medicare.

This was the minister's approach when he introduced the \$30 supplement to old age pensions. He told the Canadian people: "If you want social security measures, you will have to pay for them", and he then increased the ceiling on the old age security tax from \$120 to \$240. This is the "teacher with the cane" attitude adopted by the minister. He does not search for ways of increasing productivity or cutting down on government expenditures, such as defence spending, to cover the expense of social benefit measures. He prefers to ignore this approach and to make Canadians pay for these measures out of their own pockets.

We in the New Democratic party have stated that the budget is contradictory in that the measures contained in it will sharply reduce demand and will probably increase unemployment from the 4.7 per cent at which it stands now to a much higher percentage. The spring of next year will be the testing time for the minister's measures.

The minister ignores that the alleged inflation is not the traditional supply-demand inflation but rather a cost-plus inflation which requires a different approach than he has taken. The problem does not stem from too much demand, but rather from the fact that prices and profits are out of control. This does not of course apply to housing. That is why we in the New Democratic party have urged the establishment of a prices review board to settle this problem by persuasion and, if necessary, by legislative action. However, the Minister of Finance prefers to develop a surplus of labour on the market in an attempt to solve the problem.

We have also said that the burden of taxation is inequitably distributed in that the weight of tax increases falls on the working people of the country. It is obvious whom the government represents. It does not represent the average Canadian but rather the upper income Canadian, and it is prepared to protect this small group of people at the expense