

The Budget—Mr. Flemming

will impose a real hardship on corporations which are really family businesses. I fail to see how the minister can derive much satisfaction from stepping up the payment of this tax.

All these points add up to one fact only, that this government is making it more and more difficult for the businesses of this country to be carried on. People are becoming more and more discouraged. They may be driven out of business. They are the revenue producers for the government. In many instances 50 cents on every dollar they produce goes toward the grinding away of this great big machine here in the city of Ottawa. Yet it appears that the government is gradually killing the goose that lays the golden egg when by ordinary business foresight it could keep it alive in a healthy condition to continue contributing to the general activity of the country.

Speaking once more on behalf of the taxpayer I refer the house to the forecast of the former minister of finance on November 30, 1967, when he introduced a 3 per cent income tax surcharge, raised alcohol and tobacco taxes, speeded up corporation tax payments and forecast an \$80 million deficit for the fiscal year April 1, 1968 to March 31, 1969. Less than a year later his successor rose from his seat on the front benches and made an announcement. He said that the deficit which was estimated to be \$80 million will be \$730 million. He plastered on a 2 per cent tax for the last three months of the fiscal year for a net deficit of \$675 million. This adds up to a difference in the figures in less than a year of approximately \$650 million. I submit that this suggests incompetence. It suggests an incompetent, incapable and even inept government. That is what we have.

The question might be asked: have they learned their lesson; are they going to do better? The answer appears to be no. The finance minister says that spending will be restrained, but almost in the same breath he announces that in the next year they will spend an additional \$890 million. I do not propose to examine the reasons for this extra expenditure. That will come up later. But I do wish to bring to the attention of the house the fact that the general financial situation in this country is still represented as being particularly good. The present government campaigned for election last June on the basis of saying: "We have it good; just give us a majority and we will show what we can do." So they got the majority. They have shown what they can do within six months by

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acknowledging that they made an error in forecasting of more than \$600 million. That is the number one accomplishment so far. Then they say that they anticipate increased expenditures next year of nearly another billion dollars. They also gave a guarantee to the investment people in New York that expenditures would not exceed \$10,300 million, but if you examine the minister's figures you will see that the figure is shown as \$10,780 million. This is a difference of \$480 million.

I wonder what the Canadian taxpayer thinks of this. I think I know. He thinks the government is incapable of handling the business of the country. I agree with him. On the basis of performance the government should be condemned by this house. That is what the amendment and subamendment do. I suggest to the government that there is no easy or painless solution to the financial problem facing this nation. I note that a conference will be held with the provinces in December and that the finance ministers of Canada are meeting at this moment. If you read the newspapers you know what happened at the conference yesterday and what is happening today. Everybody wants the 2 per cent tax. Everybody wants the \$440 million. They all want it. There is one thing I hope they will discuss at this conference, the question of the duplication of administrative agencies as between the provincial governments and the federal government, including crown corporations and the general proliferation of bureaucracy. What this country needs is less government in business and more business in government. That is what is needed. Unless this principle is established and carried out, I fear for the future of our country. The will of the people to be self-reliant is in jeopardy. The desire of our people to produce is meeting with discouragement.

At this point I think we should examine the minister's speech in the light of, to use the phrase of the *Winnipeg Free Press*, the grievous financial miscalculation and to see whether we can have any confidence in the projected figures. I ask, Mr. Speaker, that the speech of the governor of the Bank of Canada delivered at Victoria on October 17 be re-examined, because at the bottom of page 3 we find this sentence: "The exchange problem of last winter was above all a crisis in confidence". I ask this question which I bring to the attention of the house: If a lack of confidence can result in a run on the Canadian dollar, though it proved and demonstrated the strength of the dollar, then what might happen if a similar lack of confidence should