

The Budget—Mr. Ritchie

This is the time for the leaders of those parties and their followers to demonstrate that they are capable of governing, yet all of us have been disappointed with their shrill, narrow criticisms. Has one word of warning been delivered by the Leader of the Official Opposition to his friends on Bay Street and the business community, urging co-operation in this way? Has one word of caution or restraint been breathed by the NDP leader to the great trade union movement to show restraint? It was done by Harold Wilson in Britain, but it has yet to be done by the NDP in Canada.

• (9:30 p.m.)

What has been the opposition's attitude? One spokesman summed it up by saying, "It's not our responsibility to offer solutions; you're the government". It is their responsibility as well as ours, because inflation and unemployment afflict people of all parties. It is everyone's task to make sure that the battle is won. It is the responsibility of other levels of government to be more than carping, negative critics spending profligately on one hand and then accusing the federal government of irresponsibility. If the battle for more jobs and price stability is to be won, it will be won because enough Canadians of all parties believe Canada to be important enough for restraint to be shown and sacrifices to be made.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, it is always interesting to follow the hon. member from British Columbia who was sent into compulsory retirement by that province. We have another non-budget by a non-minister on behalf of a non-government. Actually, the budget has no effect whatsoever on direct revenues or expenditures. How can you call it a budget when it continues the identical tariff and tax situation already in effect? The only changes relate to consumer credit and similar non-budgetary matters which could have been achieved through a simple Order in Council. As a matter of fact, similar changes were brought into effect under a former Liberal government in 1946 by a simple radio announcement. So anaemic is the budget in fiscal terms that it leads to the conclusion that the minister simply bowed to the pressure for a financial statement, and when he made the statement he had nothing to say.

The budget does answer some questions. It shows the patent insincerity of the government's demands for spending curbs. The gov-

[Mr. Perrault.]

ernment is spending \$13 billion while it tells industry and labour to retrench. The budget clearly shows that the federal government is the major contributor to inflationary pressure. There is no other single agency in the nation which has such enormous spending power and directs it into so many non-productive channels. By far the major part of federal spending is directly inflationary. Private industry spends in order to produce. The government is the most gigantic consumer in the nation.

The budget also answers the question about the government's sincerity on the question of tax reform. At the very moment when the government has produced a series of tax reform proposals in a white paper which has been in the public domain for some months, a budget appears in which not one single proposal of the white paper is embodied. This leads to the conclusion that the government has repudiated its white paper tax reform proposals. It is a fact that the budget represents a rejection by the government of the government's white paper on taxation.

Under the circumstances, it is difficult to see how the government can stand behind the budget and the white paper. It must disown either the budget or the white paper. None of the suggested reforms are given recognition in the budget, and one can only suggest the white paper is no longer to be taken seriously. The Minister of Finance (Mr. Benson) saw this difficulty and suggested there would perhaps be another budget in the fall. This stands to reason, since he can hardly say he produced a budget in the spring; he simply reissued last year's budget with a new cover. As the budget was coming out, the Dominion Bureau of Statistics reported a new increase in consumer prices. Obviously the government is not winning the war against inflation any more than it is winning the war against poverty.

All along the line this government's refusal to dissociate itself from academic abstractions and get down to the realities of Canada's problems has placed this country in the posture of a non-nation. While talking about the dangers of inflation the government calmly handed out a further \$2 million to the Company of Young Canadians, an organization which countenanced revolutionary, subversive and violent activities among its membership. So far as we know, the same people are still running this Trojan Horse organization. The only conclusion one can draw is that somebody "up there" wants the Company of