

*Supply—Finance*

government in Canada at the federal level in a long time. I think we will succeed ultimately in spite of what my hon. friend says.

**Mr. Hees:** For a government, as the minister says, which has done more than any other government to control expenditures, the results have been very unsatisfactory. We have had tax increases I think four times in the last three years. In every budget that has been produced there has been a very large deficit, despite the fact that during each year either the previous or present minister has glibly assured us, as we are being assured now, that everything will be all right and that expenditures will equal revenues. This is what the minister has been telling this house. I have sat here and listened to the minister and the former minister for three years, as has every member in this house. The minister has told us these things over and over again and now he asks why we do not believe him and why we do not have confidence. The answer is that for the past three years I have listened to the same speech the minister made a few moments ago. On every occasion he has assured us that he is cutting down expenditures and is going to make the expenditures fit the amount of revenue taken in.

Every time he does this he says that we should wait for a few months. When we do, we find that he was talking through his hat and obviously did not know what he was talking about. I give the minister and the Prime Minister credit for not knowing the figures and not knowing what the situation was at the time of the election, because if the minister had known he could not have made the kind of statement he did when he assured the people of Canada that the government would come very close to balancing the next budget. If the minister did know, then he was deliberately misleading the people of Canada. I do not think he is the kind of man who would do that. I think he is an honest man. I do not agree with the way he is running his department at the present time, but he is an honest incompetent. I retract that statement: I said it for a joke and take it back. I believe the minister tries his very best. I think the previous minister also did his best, but that best is not nearly good enough for a country such as Canada, because not only do the Canadian people have to pay more and more and more in taxes every year, but this will seriously jeopardize employment next year. Unemployment will rise seriously just as sure as God made little apples, because it cannot do anything else.

[Mr. Benson.]

This minister and this government plan to take \$1 billion out of the pockets of the Canadian people next year. The Canadian people will not be able to spend that money on goods and services, as they would be able to do if they were not taxed the way they will be as a result of this budget, and if it were not for the increased postal rates which we have. One billion dollars is being taken out of their pockets, which will be \$1 billion less of goods and services. This will result in a serious increase in unemployment. This is what worries me.

**Mr. Benson:** We are taking \$1 billion out and putting it back.

**Mr. Hees:** When are you putting the \$1 billion back in?

**Mr. Benson:** At once, the government will not have a \$1 billion surplus.

**Mr. Hees:** Well, you are certainly taking it out of the pockets of the people who would spend it on the goods and services, and therefore it is not going to be spent. So, Mr. Chairman, I again appeal to the minister to take his job seriously and to persuade his colleagues to take the situation seriously and trim down their expenditures to match their revenues. I ask them to stop this gross overspending and gross overtaxing of the people of Canada.

**Mr. Knowles (Winnipeg North Centre):** Mr. Chairman, when the present Minister of Finance was president of the treasury board there were at least two things of which he persuaded me. He persuaded me that he personally was in favour of taking action to improve the pensions of retired civil servants. I may say that the former prime minister, Right Hon. Lester B. Pearson, persuaded me that this was also true so far as he was concerned. However, these two gentlemen, the present Minister of Finance and the former prime minister, also persuaded me of a second thing. They persuaded me that the ultimate decision on this matter is a financial one and that the person I had to win over is the Minister of Finance. I was not successful in winning over the last minister of finance, but I hope the present Minister of Finance still holds the same views he held before, and that he intends to act on this issue while he holds his present portfolio. I say to him that I have no intention now to irritate him. I do not intend to cajole or even threaten him, although apparently that is a practice employed in some areas around here. I do