oppression of every kind, and the present financial policy administered by my good friend, the Minister of Finance, is an oppressive policy.

There are some good things that one could say about the budget. I liked the air of optimism that the minister had when he presented it. I relished also the faith that he expressed in our country and in its ability to come quite safely through the storms that appear ahead. I believe that the minister was wise in adding the simple surcharge to the personal and corporate income taxes, rather than disturbing the present rates and exemptions. When the time does come that he will not need so much revenue as he does now—and I hope it will come soon—it will certainly be easy, and not at all disturbing, to drop this surcharge. Furthermore in this provision—this is one at least—the minister did recognize the very heavy struggle that the people in the lower income groups are having to make ends meet under the impact of the highest living cost in our history. If he had not spoiled it later on in his budget we would have much more hope for the future, and he would have had much more reason for rejoicing.

I think the minister's provision of something of a deterrent to private capital investment for the next five years was good. It probably will not deter very much investment, but it is good as far as it goes, and it certainly is based on the right principle so far as I am concerned.

The minister was fair also, and he showed some sensitiveness to public opinion, when he provided in his budget for changes in tariff that are designed to give free entry into Canada to certain items of farm equipment, such as grain and hay driers, individual sprinkler irrigation systems and certain fishing equipment, and some items of dairy equipment. The farmers and fishermen of Canada will certainly be thankful for these changes because they will in some measure at least reduce the cost of production, and in so far as they do that they will be an inducement to greater productive effort. I compliment the minister on those changes.

There is also in the minister's declaration the pay-as-you-go policy. He says that through the present difficult period he intends following that policy. Well, certainly his financial arrangements this year indicate that at least during the next year he will follow it, and he will be able to. We support the idea of a pay-as-you-go policy now. But let us hope that the government does not make the same mistake that they made during world war II when, after declaring a pay-as-you-go policy, they departed quite swiftly therefrom shortly after the start of the war and ran our national debt from $3,500 million up to $16 billion by the time the war was over. Not only that, but some very foolish things were done in the name of bond selling which did help to establish quite firmly in the Canadian economy the roots of our present serious inflation.

I think the minister delivered a timely warning to the public at large which included consumers, producers of every kind, farmers, merchants, businessmen and labour when he asked for restraint and good sense in all economic matters, and appealed to all producers to increase their efficiency and their output.

It is plainly evident that if we are going to whip inflation and save and stabilize our economy we have all got to produce more, which means, of course, as the minister said, harder work and perhaps longer hours, and surely a definite increase in our efficiency in our productive effort. Unless we produce more, and unless at the same time we reduce costs, we cannot hope to bring prices down to within manageable proportions. The minister could very well, if time had permitted, have appealed to organized and unorganized labour of all kinds to concentrate their attention on increasing their purchasing power, rather than merely going through hell and high water to get increases in their dollar income. When they do take that line of action their efficiency is bound to increase, and their efforts will be really worth while.

On the part of employers of labour I think it is absolutely essential that they go all out in an effort to cultivate better employer-worker relations by every means at their disposal. If they do not, I cannot see how there can be higher production, and therefore lower consumer prices. I do not know of any better way of improving employer-worker relationships than through the introduction of incentive systems, such as profit-sharing.

A number of most interesting experiments along this line have been conducted in various parts of America over the last twenty or twenty-five years. Unfortunately the experiments have been mainly carried on by small companies, some of which have in those years grown to be pretty large and powerful as a result of the incentive system. The bigger corporations in this country would do well to concentrate on some such sort of improved relations between the management and those who work for them. A fine example for them to follow, in my judgment,