

Motion Respecting House Vote

to stay in power because so bad is its situation that it must go to those lengths. For the first time this government's budget has been rejected.

I ask hon. members to reflect coolly and sensibly on what the Prime Minister said on national television and in this house and what the Minister of Finance said. They said that the defeat was a fluke and that "somehow we have got to raise \$475 million." That was the statement we heard on television last night. This government's fiscal policy was rejected last Monday night and now the government has the utter gall to inform the Canadian public and this chamber that though the income tax measure was rejected the government will try to go ahead and somehow accomplish the objectives it had in view originally.

When the President of the Privy Council (Mr. Gordon) was minister of finance his budget of 1963 was rejected by business, by parliament and then by his colleagues. His colleagues were the last to know. That reminds me of a television commercial—"even his best friends would not tell him." Nevertheless, though the budget was repudiated the minister, as will be recalled, was retained. Thus, at the outset of its term in office this government demonstrated its ability to make constitutional history. If this sort of thing happened at Westminster the minister concerned would be out immediately. And so it should be here, by all yardsticks. So it should be with the present Minister of Finance. His policy has been rejected and repudiated in no uncertain fashion and there is only one course open for him under proper constitutional practice.

The former minister of finance was cast out by the Privy Council largely because of his unyielding opposition to the Rockefellers and the Mercantile Bank. His successor was more amenable. The government once again is attempting to make constitutional history. The very foundation of its budgetary policy, the 5 per cent surcharge, was rejected but still the government insists on clinging to office.

Mr. Woolliams: And on collecting the tax.

Mr. Nielsen: And on collecting the tax. I now wish to say something about the illegality of that tax. At page 447 of his work Dicey says:

Then, again, though most of the taxes would still come into the exchequer, large portions of the revenues would cease to be legally due and could not be legally collected—

[Mr. Nielsen.]

• (4:20 p.m.)

This is the consequence of the defeat of a tax measure.

—whilst every official who acted as collector would expose himself to actions or prosecutions. The part, moreover, of the revenue which came in could not be legally applied to the purposes of the government. If the ministry laid hold of the revenue they would find it difficult to avoid breaches of definite laws which would compel them to appear before the courts.

Dicey goes on at length to explain the illegality of a proposed tax after the defeat of such a measure. I maintain that this tax has been illegal since the beginning of the year and if the government attempts to use it for any of its purposes such an act will be an illegal act and every official who aids and abets in the improper application of that revenue is also legally responsible.

When one thinks of a government in the position in which the present government finds itself, one is irresistably reminded of that species of the animal kingdom which clings to one position, upside down. I think it is called a three-toed sloth. It is an animal which, like this government, prefers to be in an upside down position and whose every instinct, again like this government, is to cling to the end of the limb. This is the Pearson government. They cling, they continue to cling, and they produce nothing. Now, however, they will somehow be obliged to produce something like \$475 million to carry out their riotous and extravagant spending proclivities.

Leaving aside the constitutional question for the moment, for there is no way, I suppose, of forcing an obnoxious tenant to vacate after the lease has run out, I firmly believe that parliament reached its finest hour the other night when it told this high-spending government it would not agree to force on Canadians a totally unnecessary 5 per cent increase in taxation. The Leader of the Opposition (Mr. Stanfield) put the position of this party clearly and succinctly. I might say there are many contrasts between the leader of this party and the Prime Minister. The speech which my hon. friend opposite delivered last Friday was factual, honest and truthful.

Some hon. Members: Hear, hear.

Mr. Nielsen: When the house took the action it did on Monday night it was speaking as an institution representative of the people. It had a right to take the action it did. It spoke on behalf of all Canadians. It said to the government: This is the end of the road.