

The Budget—Mr. Gauthier

or not, which are granted unreasonable privileges and leeways which are on the verge of complicity.

After all those loopholes and all that deliberate forgetfulness, the house is told that the Minister of Finance cannot make both ends meet and that the labourer rather than the profiteer must be taxed. According to the new minister, there should be no more talk about taxes but rather about social development. What a brain-wave that was, Mr. Speaker. It must be the result of much thinking on the part of officers of the Department of Finance where at least some financial experts can be found. But the minister should not get excited, because it will not produce the results he expected. The worker has known for a long time that a tax is a tax, and that the so-called social development is also equivalent to a tax which will take a little more out of his pay.

Not being a first rate expert in financial matters, I prefer to stand on safe ground when stating my case. I would therefore like to read part of an editorial published on October 23, 1978, after the budget had been brought down.

An hon. Member: 1968?

Mr. Gauthier: Yes, 1968; it is a little sooner. Now I quote:

In spite of the wishes expressed during the last election campaign by the Liberal team led by Mr. Trudeau, to reduce government expenses, in order to bring down a balanced budget and in spite of the fact that government expenses were cut down since it came to power, the federal government will register a deficit of \$675 million this year. In addition, the Minister of Finance had to levy new taxes and increase others to reduce the magnitude of that deficit. And so, an additional tax of 2 per cent, called the "social development tax", will be paid by all taxpayers. On the other hand, corporations will have to pay their income tax two months in advance;—

Should another minister take over the portfolio, I am afraid the companies—and I know whereof I speak, for I own a company—will have to pay their taxes a year ahead of time, to give a chance to the Minister of Finance. Can you imagine the headache for company directors.

—insurance companies now have to pay a corporation tax; banks and mortgage companies will see their non-taxable reserves reduced by half, while oil and mining companies will be subjected to controls on their non-taxable allowance, namely the depletion allowance. In short, this is a harsh budget which will affect the economic life of all Canadians.

● (8:40 p.m.)

Through these new taxes and the increased rate of certain others, the Minister of Finance (Mr. [Mr. Gauthier.]

Benson) is firmly resolved and expects to balance the budget for the 1969-70 fiscal year. He even optimistically forecasts a \$5 million surplus of revenue over expenditure. Faced with these predictions, the taxpayers are rightly perplexed and even pessimistic for, last March, the government had forecast expenditures of \$10,225,000,000. A few months later, it realized that it would go \$446 million over that figure. Announcing on Tuesday that the total expenditure of the government would be \$10,780,000,000, Mr. Benson noted another increase in government expenditure of \$109 million for the present fiscal year, and those are not yet the final figures for 1968-69. We note that there has been a net increase of \$555 million over the estimates prepared eight months ago by the former minister of finance (Mr. Sharp). Taking into account the incredible mistakes in the estimates, which a company could not survive, what confidence can we have in the declared intentions of the government to restrain and retrench government expenses and to balance the budget? Mr. Sharp's estimates, last February, and the almost uncontrolled increase in expenditure compared with the said estimates, are examples characteristic of the efficiency of the plans of the government. Once more, therefore, the federal government, presents an inflationary budget which affects all the consumers whether or not they are poor. The loans he will have to obtain in order to make up for the deficit will increase the inflationary pressure and new taxes will increase the prices of consumer goods. The more the budgets are brought down at all levels of government, the more they look alike.

As I was saying a few minutes ago, this is always the same thing. Here is another excerpt of a Montreal newspaper with the heading:

The two percent increase is a hold-up.

The following, Mr. Speaker, reflects the opinion of the labour unions:

Mr. Louis Laberge, president of the Q.F.L., was commenting yesterday on the budget brought down Tuesday evening in the House of Commons by the Minister of Finance, Mr. Edgar Benson.

Mr. Laberge did not go half way about it when he said: The two percent increase in income tax for individuals, with a maximum of \$120 is indeed a hold-up at the expense of people with a low income by a government recently elected with misrepresentations about a "just society".

Should the minister want to know about popular opinion, let him read the newspapers.

On October 24, in *La Presse* we read:

"The small people again have to pay. The budget is always the same as the small people have to pay the shot—so was saying somebody, yesterday morning, on coming out of the Place d'Armes metro. This sums up the general impression of the people—

—of the province of Quebec and Canada.

I should like to read another item published in the October 23 issue of the *Journal de Montréal*:

Budget increased by \$890 million

Before bringing down his first budget yesterday in the House of Commons and incurring the