

*Motion Respecting House Vote*

Then last fall he brought in a mini-budget. Now the foot had to go on the brake again. Did he put the tax back on corporations? No, he put a second tax on the personal income taxpayers, with a ceiling on it, and the proceeds of that tax will go in large measure to pay back the corporations their refundable tax plus the 5 per cent interest.

In the fiscal year 1968-69 this 5 per cent surtax on personal income will yield a revenue of some \$185 million, according to the minister's estimate. However, he is going to pay out \$230 million in refunds to corporations, plus \$14 million in interest, a total of \$244 million. In other words, Mr. Speaker, the salary and wage earners of this country, at a time when the cost of living is going up and their purchasing power is being curtailed, will be taxed so that the Minister of Finance can turn around and pay out some \$244 million over a period of time to the corporations of this country.

● (12:40 p.m.)

There is an old saying about robbing Peter to pay Paul. The Minister of Finance is robbing Lazarus to pay Dives. He is robbing the poor to pay the rich. This is the measure that the Minister of Finance is now asking us to approve. This is the measure that the Prime Minister is now saying we should in all humility say we are sorry for voting against last Monday night, that we do not want the government to consider that as a vote of no confidence.

I say to the government that this is an unjust tax, that it further accelerates the inequity in our tax structure, that we were opposed to the measure last Monday night and that we are still opposed to it, and that if the government tries to reimpose it we will fight tooth and nail against it. I say to the government that if they try to reimpose that tax or any similar tax which will further widen the gap between the wage and salary earners of Canada on the one hand and the corporations on the other we will fight it and, if possible, force the government to do what they ought to be doing now, take this issue to the voters of the country.

The Prime Minister said on television the other night—this was not in the house, Mr. Speaker, because that is not where debates are carried on any more—that the government must have the money to carry on the business of the country. If the government needs this \$185 million badly, then instead of taking \$185 million by means of the 5 per cent surtax out of the pockets of the people

with modest incomes the government has the power to postpone the refunding of the tax to the corporations. That is quite within its power. If the government needs money, surely the place to get it is from those who have it rather than from those who do not have it.

Not only has the government been trying during the last few days to divert public attention away from this tax by talking about a sinister plot but the Minister of Finance is now trying to arouse public fears by saying that the dollar is on trial. I copied down what the minister said on television last night and I think I have it accurately. He said that the opposition has deliberately created a crisis and the money markets are waiting to see what will happen. I suggest it is not the dollar that is on trial, Mr. Speaker; it is the Minister of Finance who is on trial. It is this government that is on trial, and it has been tried and found wanting. Why is the dollar in a difficult position? Why are investors and the money markets apprehensive? It is because this government for months on end has failed to grapple with the problem of inflation and has failed to bring forward any realistic solution to the present financial crisis in this country. Here is a government that sits in office while unemployment in the month of January went up over 6 per cent.

According to the Economic Council of Canada, a reduction of one percentage point in unemployment would increase our total wealth production by \$2 billion a year. A reduction in unemployment to the figure that the Economic Council of Canada said should be a normal figure would increase the gross national product of Canada by billions of dollars. It would result in hundreds of millions of dollars of extra revenue coming into the treasury of Canada without any change being made in the present tax structure. If the country is in bad shape I suggest to the Minister of Finance that he look at the unemployment figures which are the highest we have had since 1964.

I also ask him to look at the high interest rates, for which he must accept responsibility. The government removed the interest rate ceiling from the Bank Act last year. We were assured that competition would have the effect of keeping down interest rates. The prime interest rate of the banks has now been raised to 7 per cent, which I believe is the highest rate since the early twenties.

If the minister is worried about the money situation, let him look at the slowdown in the rate of economic growth in this country. In