

Financial Administration

whether or not the government was aware of the fact that there was going to be a big surplus of this kind. I would remind hon. members that when the budget was before the house last spring it was pointed out by members of the opposition that, in their belief, the government was planning for a surplus far in excess of that which was announced, and that the suggestion that certain taxes which were being levied were unnecessary was brushed aside. What I am saying now is directly relevant to a consideration of the importance of this section and the importance of impressing upon the government the fact that there must be some obligations under this section which have not been regarded. We pointed out over and over again that there was no need to impose a 25 per cent increase in the sales tax. We pointed out that there was no need to impress burdensome and irritating special excise taxes at a time when we clearly expressed our belief that the surplus would be far beyond the amount to be raised by these real nuisance taxes, and these taxes which have contributed so greatly to the increasing inflation in this country.

We are to be called upon before this session ends to consider a measure, the only measure put forward by the government, to deal with price maintenance agreements. The suggestion is that it would deal with inflation. What would have dealt with inflation a great deal more during this present session would have been to introduce some measures to correct the government's errors, and to have done away with these excessive sales taxes and excise taxes. That would have brought the government within some recognized sense of obligation to parliament to correct this position. It would have relieved inflationary pressures and it would not have simply placed before parliament a red herring like this legislation to deal with price maintenance which we shall be called upon to consider. We know that because of the time of the year the debates in this present session are drawing to an end; but I would remind the government that when its responsibility for overtaxation is being discussed every bank, every great financial organization in this country, every labour organization, every public body which has been called upon to present public reports at this time of the year in regard to our financial position, has emphasized the fact that inflation is the most dangerous thing that we face today in our domestic affairs.

Part of that inflation is being directly caused by the government's disregard for the figures it places before the house. Part of that inflation—and a substantial part of it—

is being caused by these excessive taxes which are directly inflationary. I am talking about the 25 per cent increase in the sales tax and the special excise taxes which have all joined in giving us this more than \$600 million surplus in the first six months. The government has done all these things, and instead of in any way correcting them while we are considering the measure of supervision there should be over our financial affairs the answer simply is that, it is true, we have a surplus. We are going to use it in a very good way by paying off debts.

This morning we had the statement by the parliamentary assistant to the Minister of Finance that the provincial treasurers in several of the provinces have also had surpluses, and that in some cases these have been on a proportionately higher basis than that of the dominion government itself. May I point out that the provincial treasurers make their estimates upon the projected figures of income given to the people of Canada through this house by the dominion government, and also through their statisticians. Every one of their estimates is prepared upon estimates that had been made available to them by the departments of the dominion government, either through the statistical department or otherwise. One of the reasons that they have had corresponding surpluses is the inflation which is going on and which is being aided, abetted and supported by the action of this government itself. That is one of the reasons that their surpluses have gone up. If there has been a miscalculation on their part, that miscalculation has been related to the miscalculations of the government of Canada which has placed these figures before us. I am not, however, putting any brief before this house on behalf of the provincial treasurers; they do not need it. But I am pointing out that what has been occurring in the provincial bodies is in the final result simply indicative of the fact that the estimates of the dominion government year after year have been disproved by subsequent events. While we discuss this section I would point out once again that although it may not be possible to place in it any mandatory provision which will correct the situation, I do believe that at this time, when we are considering the financial operations of the government itself, there should be a clear understanding on the part of all hon. members and of the government that the very first responsibility of parliament is to express its approval of any moneys which are granted to the government for the business of Canada, with full knowledge of the facts; and when the government makes a miscalculation on one side or the