

The Budget—Mr. Lewis

this poor fellow had to do it. If he had not referred to old age pensioners and students in his budget, it would have contained nothing but concessions to the corporations—and even he was too much ashamed to permit that kind of situation. The poor minister said to his advisers, “Come on, now I cannot take a budget to the House of Commons which does nothing except reduce taxes for the corporations. Give me something else.” So he was able to turn to the Minister of National Health and Welfare (Mr. Munro) and graciously say, “You will be able to rise tomorrow and do something for old age pensioners.” And he was able to turn to the Minister of Veterans Affairs (Mr. Laing) and say, “You will be able to do something for the veterans.” And his conscience was clear.

The fact that he had to make this announcement shows he knew that what he was doing to the taxpayers of this country was conscienceless; it was necessary for him to appease his conscience in some way. Much as I and my colleagues are ready to support the proposals affecting old age pensioners, veterans and students, let me tell the Minister of Finance that there is nothing in those provisions which will make any old age pensioner dance for joy even if he is physically able to do so.

I met with some of them yesterday in my riding. As hon. members know, in senior citizens' homes the women outnumber the men, and they did at this meeting. Those whose husbands had saved a little money and who were obliged to live on the old age pension alone, plus the little bit of additional income they had, were certainly not dancing for joy about the \$2.88 a month which this “great” government, betraying the just society in every act it takes, had granted to them.

As for those who were entitled to the income supplement, even those entitled to the full income supplement, they realized that the \$15 additional payment which the single old age pensioner is to receive and the \$30 additional payment which pensioner couples are to receive is simply making up for the increase in costs they have been facing over the years—not since the supplement was introduced but for years when they had to live on inadequate pensions. They were not jumping with joy.

This is not to belittle what has been done. This is not to say it will not be of some use to old age pensioners. Of course it will be—not the \$2.88, which is an insult, but the \$15 a month, which makes \$180 a year, and the \$30 a month for a couple, which makes \$360 a year. That, of course, is welcome money to them. But let us remind ourselves, before we become self-congratulatory, that if we adjust the needs of a single person in Canada, living at the poverty line, to the cost of living increase since 1969, which is about 6.5 per cent, a single person now needs \$190 a month to live just above the poverty line, which is \$40 more than the maximum, including the supplement which the Minister of Finance has provided. And a couple needs \$317, which is \$42 more than the maximum \$285 which the minister has provided.

So let the Liberals in this House not bang themselves on their backs in self-congratulation. The payment to a single, old age pensioner is still \$40 below the minimum required, and the amount received by a couple is \$32 below the minimum required. In spite of these increases, old age pensioners will still have to scrape to make ends

meet at the end of each month—and that is not the way to treat the aged people of this country.

Moreover, for the majority of Canadians this budget was a budget without joy. There was absolutely nothing in it for the ordinary wage or salary earner, for the farmer, for the fishermen, for the logger. They were not even mentioned in the budget. And there was almost nothing there for the small business people. There was absolutely nothing for the vast majority of Canadians. Indeed, as the minister has lately admitted, there is a hidden tax increase for the wage earners, the salary earners, the farmers, the fishermen, the loggers and the small business people who are not connected with processing or manufacturing—an increase of 3 per cent.

The 3 per cent tax cut made last October will end on December 31 of this year. Therefore, beginning on January 1 next, every Canadian in the categories I have mentioned will pay 3 per cent more in tax than he does today. This was the treatment given to the majority of the Canadian people, the majority of Canadian families. Yet the minister says, “This is a forward-looking budget.” He must have had his head turned the wrong way when he said that.

What disturbs me, as a lay economist who studied economics at two institutions but who does not claim to be an expert, is that the minister has the audacity to say that his budget is intended to produce jobs. He will forgive me if I do not quote him but paraphrase him in my own way. He says, “Listen, private corporations and private business. I have just given you a tax cut, so please be kind enough to provide more jobs. I stake my political future on you.” I could visualize him on his knees, except that he is a proud man and does not get on his knees, and I respect him for that. He pleads with these corporations to give him some jobs. Let me tell him that the corporations will give him jobs only if it pays them to do so. If it does not pay, there will be the same level of unemployment six months hence that there is now, if not a higher level.

• (2050)

Let us look at the economy at the present time as I see it and understand it, and I think most economists would agree with me. We have an economy which is now functioning under capacity. Many manufacturing plants across this country are not functioning at one hundred per cent capacity and there are many people laid off, or we would not have the extent of unemployment we now have by definition. There are plants which have laid off people, and those people are still laid off. Does the minister or anybody in his right sense suggest that when you go to a plant which is laying people off because it cannot sell its products, and give it an additional 9 per cent in profit, this will create jobs? I suggest the plant will simply take the 9 per cent into its profits.

The way to deal with an economy which is in an under-production stage and working at something under total capacity is to increase aggregate demands so that the products which are manufactured will be purchased. It is only then that new and additional jobs will be created. There is already slack in our mills and factories. The minister should not try to induce them to invest more. Why should they invest more? What is the purpose of their