

The Budget—Mr. Saltsman

that the government is not trying to effect any kind of balance and is using the deficit itself to provide some of the tax benefits in the budget.

While there may be some joy in the Liberal party backbenches, and considerable joy in Bay Street, I want to say that there is very little pleasure in this budget for the ordinary man or woman in this country. The Minister of Finance (Mr. Benson) has been far more concerned about making the Liberal party safe in Bay Street, and making Canada safe for tax consultants, than he has been about bringing genuine tax reform or, for that matter, assisting those who need tax relief.

In our view the minister has failed to provide adequate stimulation to take into account the high level of unemployment that exists in the country. While we acknowledge that he is moving in the direction that is necessary—he has provided for a deficit—we do not think that deficit is of sufficient magnitude to restore this country to full employment this year or next year. The minister has not given answers to the question of what he considers an acceptable rate of unemployment. When everybody who seeks a job has a job that does not mean anything, but he refuses to give any figures on what the government projection of full employment is.

It would appear that somewhere in the closed ranks of the Liberal party and the bureaucracy of this country, they have hit upon the figure of 5 per cent unemployment and the measures in this budget are designed to move the economy to this figure over the next two years. The figure is totally unacceptable, Mr. Speaker. There can be no acceptance of a policy that plans for 5 per cent unemployment. It is ridiculous, particularly when the Economic Council of Canada in its examination of this problem said that the highest rate of acceptable unemployment in Canada should be no greater than 3 per cent.

It is our view that the budget should have provided fiscal incentives of one kind or another to move the economy to a full employment position with an unemployment rate no greater than 3 per cent. The government has totally failed to do this, and has betrayed all those people who hoped for tax reform. There is no tax reform in this budget, Mr. Speaker; there are some changes and we will deal with those, but on the whole we think this budget is a failure of the greatest dimensions.

Some hon. Members: Right.

Mr. Saltsman: At first blush, some good measures are contained in the budget. Exemptions have been increased; there have been increased benefits for people on old age pension and provisions made for baby sitting expenses. It may be that the euphoria of this is the kind of relief a man gets from banging his head against the wall—it feels good when he stops. The initial impact of this budget may be that it provides some good things and therefore the Liberal party has pulled it off again. In the short term, however, when people have had an opportunity to examine the inflated and exaggerated claims and relate this budget to their own lives to see whether they are better off than before, they will come to realize

[Mr. Saltsman.]

that the budget offers very little to the ordinary citizen of this country.

• (2:50 p.m.)

I did not say it had very little for everyone, because it has a tremendous amount for people in business who make their income from capital gains or from investment. This is a juggler's budget. It is the kind of performance in which you throw a bunch of items in the air. You are not always sure which item is following which item and the whole thing gets very confusing, but you shuffle from one to the other. This is the kind of thing which people in the Liberal party suggest is a miracle. They suggest it is not costing the government very much money to provide all the good things it is doing. There may be some genuine miracles, but I do not think this is one of them. I do not think the Liberal party is in a position to give something for nothing without shuffling things.

It is interesting to look at how this shuffling has been done. Let us examine page 64 of the summary of the tax reform legislation where there is a reference to the revenue effect of personal income tax changes in the first year of the new system. We find the government has increased basic exemptions, and there are figures indicating those increases. We find the good things done for the ordinary people are offset by a number of other things. The government is going to get \$30 million more than it pays out in terms of deductions for unemployment insurance as against what it collects by classifying the benefits received as income. If we look at item No. 9, we see the inclusion in income of medical premiums paid on the employee's behalf by the employer. The government picks up \$80 million on that item, which is almost the same amount it cost the government to increase basic exemptions. Who has been benefiting from the inclusion of medicare premiums? I suggest the people who have benefited have been the working people of this country, so the government is taking the money out of one pocket and putting it in another. It is doing this little juggling act in the hope it will not be noticed.

Item No. 11 refers to other expense deductions and other items included in income. In this case we find the government picks up \$65 million in 1972. Let us consider what this amount of \$65 million comprises. It consists of adult training allowances to the extent of \$20 million. Who benefits from adult training allowances, the rich? This item also consists of armed forces changes to the extent of \$15 million. When I asked about this I was told it referred entirely to the "general" category. We have a lot of generals in the armed forces, but I did not think we had \$15 million worth. I am sure that applies to many more people than just generals. Further down the list we see a reference to additional interest paid by co-ops, caisses populaires and credit unions to the tune of \$5 million. A little further down we see fellowships, scholarships, bursaries and grants. The government picks up another \$5 million from that. This is how it is providing the benefits it is giving.

Let us contrast this with what the white paper and the Carter Commission suggested. I know there will be gov-