

*The Budget—Mr. Ritchie*

Young Canadians very badly. No matter what the Company of Young Canadians does, it is apparently beyond criticism. Undoubtedly it has a function above and beyond that laid down in the terms of reference. What is the reason for the mysterious immunity which this completely useless organization enjoys? Why is it too hot to control? Why is it a sacred cow?

More and more policies laid down at Ottawa are reducing this country to the status of a non-nation. The Americans kindly take us aside and tell us which parts of the Canadian north they intend to take over. They produce reports saying Canadians want to sell water to the United States. Nothing could be further from the truth. Not one responsible Canadian has gone on record in favour of selling one drop of water to the United States. The solution in respect of the Canadian Arctic is simple. The Canadian Arctic is Canadian. The sooner this government so informs the people of the United States, the better. The Canadian Arctic is as much Canadian territory whether it be land, ice or water, as New York harbour is United States territory.

The United States has as much claim to Canadian territorial waters in the Arctic as it has to territorial waters in the Soviet Arctic, and I do not see them advancing that argument. There must be a reason. Somebody had better point out to the United States authorities in Washington—apparently this government cannot do it—that United States territory stops at the Canadian border and does not leap-frog the Canadian nation and come down again in the Arctic islands. A Canadian presence must be established in the Arctic and it must take the form of an immediate doubling of the number of Canadian military bases in the Arctic. That should not be hard; there are only two there now.

This government sat in total numbness, doing absolutely nothing while the United States turned off the tap on Canadian oil imports in the United States. Oil is one of the biggest stakes in the game of international power politics. Oil explains the presence of Soviet Russia in the Middle East. Russia is not in the least attracted by the justice of the Arab cause; it is attracted by Arab oil. Oil and natural gas explain the interest of the United States in the Canadian Arctic. There is no other reason. At the same time as they are asking our help to go into the Arctic, the Americans are shutting out Canadian oil. Even this government should be able to put

two and two together and come up with a convincing argument for a new United States oil policy. The United States is up to the old game of trying to get the golden egg with one hand and strangle the goose with the other.

I shall not go into a detailed discussion of this budget because it all went into *Hansard* when the minister brought down last year's budget. Anyone who wants to know the reaction to this budget has only to get *Hansard* and read what was said when the last budget came down. There is no change. It is the same budget. The only change is that the situation is a little worse all around; that is all. We have more inflation, more poverty, less national development and more wasteful expenditure. Apart from those few points, the situation is unchanged.

I want to ask the Minister of Finance two questions. In view of the strong argument in the white paper for raising exemptions, why did he not take the opportunity in this budget to raise exemptions? I also ask, in view of the large surplus he is predicting why did he not see fit to pass on tax relief to Canadians in the form of a tax reduction for the income tax payer? People in this country are entitled to tax relief. When one considers that Canadians are at this moment overtaxed, overcharged and underserved, one might ask what right the minister has to keep a surplus for himself. Surely it could have been passed on in the form of tax relief, at least to those in the lower income brackets.

The time has come for a reduction of federal expenditures and income tax relief to the overtaxed Canadian taxpayer. The western farmer, whose income has been reduced by 23 per cent in the past 18 months, due largely to the incompetence of this government and its lack of policy, is entitled to tax relief. One of the most disturbing things about the government is its apparent obliviousness to anything that is not neatly laid down in a task force report or government white paper. Let me say to the government that the world is not made up of task forces and white papers. It is a real world, with real problems, and the government is strikingly oblivious to these problems.

We have daily reports from the United States, particularly the New York area, of a tragically high death rate among children because of the use of narcotics. Two years ago from the same area we had similar reports about the high incidence of marijuana usage. There is no question in the mind of any intelligent person that the use of one type