

*The Budget—Mr. R. A. Bell*

Immigration (Mr. Marchand) sought to smuggle into the Budget debate his opinions on the royal commission on bilingualism and biculturalism and the new government policy on bilingualism in the civil service. The minister has achieved an almost uncanny knack of choosing the wrong time and the wrong forum to express his opinions. At the proper time during this session, which assuredly is not during the Budget debate, I will deal fully and explicitly with the views which he expressed and with what I consider to be the disservice which he and his colleagues are doing to Canada's public service.

Tonight I wish only to remind the Minister of Citizenship and Immigration that he is very much a political neophyte and would do well to absorb some of the wisdom and the statescraft of the great leaders of his own people, Cartier, Langevin, Laurier, Lemieux, Lapointe, Arthur Cardin, and St. Laurent, before he discards the heritage and tradition which they impressed upon Canada and before he seeks to pontificate upon problems which he does not yet understand. It is a great thing to get at least half dry behind the ears before seeking to solve overnight, problems which have engaged generations of the best political minds of the nation.

What of this Budget, sir? I say that not since the days of the "miller of Valleyfield" has Canada experienced a Budget so prosaic and unimaginative as that delivered by the hon. gentleman from Eglinton (Mr. Sharp) on March 29. But one would have to search even farther back in history to find a Budget which so studiously avoided the major issues of the day.

The Minister of Finance sought, or appeared to seek, to find some justification for the insipid and vapid fiscal policies he espoused in the imminence of the report of the Carter Royal Commission on Taxation. Certainly after that Commission has taken more than three years to study our taxation system the house and the country has the right to expect profound and practical recommendations to update our taxation system. Without doubt the federal "Topsy-built" tax structure has become regressive, stifling enterprise in many regions and discriminating against many taxpayers. A major overhaul is undoubtedly imperative.

There can never be, of course, such a thing as a tax millenium but perhaps we may see in the Carter report a peep of light over the dread tax horizon.

I think it is only fair that the house say to the Minister of Finance and the Minister of National Revenue (Mr. Benson) that we expect prompt and decisive action in dealing with the report of the Carter Commission. Officials of the Department of Finance and the Department of National Revenue, including the new tax analysis unit, have already seen, and in my view, improperly seen, sections of the Carter report. The two ministers cannot have the slightest excuse for emulating the stalling and temporizing with which the government has dealt with all other royal commission reports.

If a second budget is needed in 1966 to bring our tax structure up to date, and if a proper overhaul is recommended, then I say that the minister should not have the slightest hesitation in bringing down a second budget.

What I want to assert to the minister tonight as vigorously as possible is that the imminence of the Carter report is no excuse whatever for the colourless, lack-lustre, pallid approach of the Budget to the major fiscal issues of 1966. Rising costs and inflationary pressures are stealing much of the real gains in our economy, and what is tragic, they are stealing them from the very people who need them the most. Compare, if you will, as I have done, the advertisements of the supermarkets three years ago and those of today, and one cannot but be shocked and alarmed by the advance in the cost of staple items of living.

Let us take another basis, Mr. Speaker. Compare if you will, the prices listed for the basic items of living in Washington, District of Columbia, with the prices advertised for the identical commodities in Canada's national capital. Then compare the salary levels of Washington and Ottawa, and one can only be astonished at the handicaps suffered by the salaried workers in this community.

I suggest that the timorous and inadequate proposals of the Minister of Finance to deal with inflation are largely self-defeating and will intensify rather than contain the problem. In particular, I would submit to him that the 5 per cent refundable tax on corporate income will significantly increase the pressures and thereby defeat the very objective of the tax.

The pressure in business will be to maintain a consistent level of retained earnings and of dividend pay-outs, and with the 5 per cent refundable tax this can only be achieved