

The Budget—Mr. Wilson

Small Business Development Bond we brought in two and a half years ago and the Canadian common stock investment fund. All these proposals of the Progressive Conservative Party of Canada would have had the same impact as the proposals put forward by the Government of Canada in the budget last night. We welcome those, but we wonder why there is a delay. Why can these not be implemented right away to do the job now when interest rates are at 20 per cent and when there is slow growth in the economy? Instead, they will be put away for a further three, four, five or six months—who knows?—for further study. We do not see action today.

Some provisions arising from the November budget are still hanging. There is the whole question of interest deductibility. That has not been decided yet. It will be carried forward, reviewed again and perhaps never implemented. That degree of uncertainty is still there and is causing businesses to slow down their investment activities.

The tabling of the Ways and Means motion last night should have been done in such a form that we could have dealt with it directly in this House and in Committee of the Whole so that we could get on with budget legislation. Instead, it is being referred to committees in the private sector for further review. How much further review of the November budget do we have to have? How much longer do we have to wait until that budget can be brought into the House of Commons and dealt with by Members of Parliament so that we can rid the country of the tremendous uncertainty that budget has caused? Does the minister not yet have the confidence to bring in that legislation so that we can deal with it?

The Canadian rental support plan was announced in the November budget. There was an incredible statement in the budget last night. The plan is not working, we know that. The minister has told us it is not working, but the government said in the budget papers of last night that it will show flexibility in relation to the amount of money over and above the \$7,500 already offered. The government will show some flexibility, but members of the real estate community tell us that they feel that \$7,500 will have to be \$20,000 if it is to have any impact on getting housing starts going. We still have uncertainty. What does flexibility mean?

Two other elements of the proposals of the government with respect to restraining levels of pay are still hanging in the air. They are still not decided, and that again undermines the credibility of the government in getting on with the job and dealing with the problems we have.

In addition to that the government has been tricky in relation to the budget deficit. I said it probably was more than \$20 billion. I am sure it will be more than \$20 billion. I hope the minister will have his minister of state make clear just exactly how the number is arrived at so that we can judge whether it is another trick on the minister's part or whether the budget figure is really an accurate one.

Government spending will increase 20 per cent. Do hon. members recall hearing the Minister of Finance talking about a 20 per cent increase in government spending in his speech last night? No, that was not in the speech. The minister ignored that. I looked through the budget papers to try to find

out what the figure would be. In the first line of one particular paragraph it was stated that government spending would increase by 15 per cent. Then I looked a little further down. Three or four paragraphs later buried in the middle of a paragraph I found that over-all government spending on a national accounts basis—the most accurate basis for measuring government spending—would be increased by 20 per cent. This is a very tricky budget indeed.

That raises another question, and that is the question of indexation. With his statement last night the minister took the first step toward removing indexation. Taxes were effectively increased by \$1.3 billion, or 6 per cent, but the budget also removes a key element of discipline in government spending which was brought in on the suggestion of the Hon. Robert Stanfield.

However, more important than that discipline, which is very important at a time when government spending has been running away at 20 per cent annum for two years, is where this withdrawal of indexation stops. How far will we go? The minister has removed indexation from certain social programs and the pension funds of certain Canadians. Is this the beginning of the end? The minister calls this tax expenditure. What other tax expenditures are going to go? Does this mean we will be taxed on the imputed rent of our houses? Is that the next step? Will there be capital gains taxes on the principal residences of Canadians? What other taxation will there be to satisfy the greed and the unquenchable thirst of this government for Canadians' money? That is the question we are asking the minister today.

There have been some changes since the November budget. We are pleased with some of them, and I referred to some of them last night. I will not go through them again. I just observe that 35 changes have already been made. Is that not enough of a sign of the minister's incompetence and the lack of confidence that instils in the Canadian community?

If that is not enough, let us look at the changes which have not yet been made in the budget of last November. The minister did not explain last night why dental and health benefits are still being taxed. The dental association has told us that those increased taxes will hurt low and middle-income Canadians more than other Canadians. The minister did not tell us why employee benefits, particularly in the mining and natural resource sectors, will still be taxed. This past weekend we heard about problems in labour negotiations currently under way in British Columbia where employees have been taxed \$3 an hour, or \$19 a day. That amounts to about \$3,500 or \$4,000 in tax which has to be paid by those employees. Is it any wonder they are having trouble with their labour negotiations? That is the most inflationary element the minister could have put into that budget of last November, and we still do not understand why he has left it in.

The minister also has not told us why he has left in the proposal not to allow interest deductibility on loans made to purchase registered retirement savings plans. That is a very mean proposal by the minister. It is mean because again it hits