

Mr. Otto: I will not be next because I cannot be fired. But the government has a serious problem to face here. A large part of what the hon. member for Duvernay has said is credible and is understood by Canadians who agree with him.

I think that most Canadians today would agree that there is no rush to get rid of our resources. Similarly, I am sure most Canadians cannot understand why we must level all the mountains of Labrador to ship ore to the United States. Neither do I think Canadians see the urgency of emptying all of our gas wells and oil wells in order to keep some other country going. I do not think that Canadians today are blind to the fact that Canada has a world monopoly in uranium; as far as the North American continent is concerned we have the hydroelectric power, the iron, coal, oil and gas reserves, the materials that our good neighbour to the south of us does not have.

The hon. member for Duvernay was saying that we should bargain in such a way that the United States regards us with some sort of respect, rather than giving away these resources for a few pennies from royalties and few labouring jobs. I think most Canadians would agree with that proposition. It is not as if we had had no experience in this type of negotiation because we have. We have had the automotive pact for some years now, and it was not all that different from negotiations over resources. We said to the United States that they should do what they do best in their country, that we should do what we do best in our country. As a result of this agreement, work and goods can flow back and forth in the most efficient manner. There is no reason the same cannot be done in other fields. We can bargain with the United States, which is all that the hon. member for Duvernay was saying. For the government to turn its back and pretend that he does not exist or that his ideas do not exist is wrong. I know what I say does not apply to the Minister of Finance, but it does apply to some other ministers.

I think the government would be well advised to consider what has been said on this subject at its face value instead of being piqued. Most Canadians tend to agree with some of the concepts put forward by the hon. member for Duvernay. What the government must realize is that before this budget can have any real effect, solutions must be found to all the problems that require to be solved, including the main problem of capital acquisition, of establishing our capital structure. Capital is what the United States has. Its capital acquisition results from the piling up of profits for the past 150 to 200 years going back to the whaling days. We did not have the same opportunity. We either spent every nickel we had or put our money into life insurance policies or in the bank. But one thing we do have is the resources that the United States needs to keep its mills grinding and its factories running.

• (3:00 p.m.)

Therefore, Mr. Speaker, I strongly suggest that the government return the pictures to the wall and enter into

The Budget—Mr. Gleave

some sort of dialogue. I am sure that the objective of the hon. member for Duvernay is the objective of all of us, namely, to bring about a better Canada and to find a solution to the everlasting problem of inflation-unemployment, inflation-unemployment. With that, Mr. Speaker, I should conclude by saying that I know personally the minister has included in his budget ideas carried to him by many of us. I have no doubt he has listened to the ideas of those on the other side of the House, and I am positive he has listened to members of the business community as well as to others. He should be commended for that. I think that all reasonably minded opposition members would, if they were honest with themselves, admit that this is a good budget. True, more could have been done. We must consider responses to change when we want to institute financial changes. It would be nice to bring about the vast changes, but people are not accustomed to vast changes, especially in relation to financial and fiscal questions. There, they want to go slowly. I think the minister has done a good job and I think the minister deserves—and I am careful in my wording—a vote of confidence.

An hon. Member: But not the government.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in rising to speak on this budget I would say, at the outset, that in my opinion it does not contain the essence of reform. I do not think it reforms the tax system. Rather let me say that some changes have been made which, in a sense, will enable the government to accomplish some of the objectives they have set for themselves. It will give some relief to those in the lowest income brackets by way of increased exemptions before tax. I suppose, in the main, one must judge that this was the objective of the budget. Its objective, in part, was to continue the emphasis that has been placed on resource development, to judge by the concessions that have continued to be made in that area. One must judge that the government is not particularly concerned about co-operatives continuing their growth, since the tax changes relating to co-operatives will make it more difficult for the co-operatives to grow.

When I look at the farming sector, with which I am somewhat familiar, some of the government's decisions are a surprise to me. However, perhaps there is an explanation for some of the decisions they have made. I point out that in 1968, the last year for which statistics are available, some 142,041 farmers paid \$80,886,000 income tax on earnings of \$747,082,000. The tax proposals and changes announced by the Minister of Finance (Mr. Benson) in his budget deal with five areas of particular interest to farmers. Taxation of cash versus taxation on an accrual basis is one of them. It may be good or bad. He leaves the farmers on a cash basis, in the main.

One of the rather surprising things that he has done, as nearly as I can assess it, is actually to give some advantage to the hobby farmer. I do not understand why this was considered desirable. As we added it up, the tax reform bill proposes to improve the position of the hobby farmer by permitting the additional deduction of interest and property taxes against the proceeds from the sale of