

The Budget—Mr. Howe

son), who mentioned that the government was able to balance the budget this year. Indeed, the government was budgeting for a surplus, the first surplus in 13 years. I remember the last budget surplus. In those days, we indicated that the government seemed to think that by creating a surplus they were taking money away from the people of Canada because they did not know how to look after it themselves. One of the sops used at that time was the \$6 addition to the old age security pension. The Minister of Finance (Mr. Benson) is now being given a \$30 tag.

For this budget to be effective, some action should have been taken to reduce taxation. After all, taxation is an integral part of our economic structure. As the hon. member for Red Deer mentioned, the 2 per cent surcharge should have been removed. This would have increased the take-home pay of those people who are living so close to the poverty line these days. If they had an increase in their take-home pay the government would make them a little happier, but this does not seem to be in the government's program.

The budget also gave no consideration at this time to tariff adjustments. This is an area where some assistance could have been given to secondary manufacturing industry. Lots of problems are being created in the nation by low cost goods that are imported from countries with a lower cost of living and lower labour costs than Canada. If tariffs and quotas had been adjusted I suggest assistance would have been provided, economically and financially, to secondary industry. Some ministers have said that it is very important to provide cheap merchandise for consumers by importing cheap manufactured goods from other countries. How can the Canadian people buy any of this merchandise if they cannot get jobs?

The main part of my remarks this afternoon is going to deal with a problem that I think is important to all members of the House, one that was pinpointed in a press release issued on November 5. Outside of a few references to it in the newspapers, I do not think too many people in the House or across the nation paid much attention. The release has to do with applications made by the Canadian National Railways to withdraw from passenger service in 31 areas, and by Canadian Pacific Railway to withdraw from passenger service all across the nation. I sincerely hope other members of the House will take note of this action by the railways. It

was brought very noticeably to my attention during the Easter recess when a hearing was held in Owen Sound.

However, before I go into the matter I should like to make reference to a piece of legislation that went into force in 1967. I believe it is the umbrella under which the railroads are applying to abandon passenger service in so many areas of Canada. I heard one member of the House refer to the law being an ass, and that somebody should get on it and ride that donkey out of this House. Looking at this particular piece of legislation, and realizing that I was both a member of the committee and of the House when the legislation was passed, I must admit that I must have been a little derelict in my duty not to have looked a little closer at the bill, because it is a bad piece of legislation.

Why, Mr. Speaker, do I say it is bad? I should like to read one paragraph from the MacPherson Commission report on which this legislation was modelled. Again, I admit that the party of which I was a member initiated the MacPherson report, but I think that this first report should have been put up on one of those dusty shelves where a lot of reports end up.

I should like to quote from page 43 of the report, the following paragraph:

One of these effects, perhaps the most important one, is the railways' continuing need of revenues to cover deficits incurred because of the apparent inability of railway management to slough off the historical, traditional and institutional obligation to provide passenger services.

The thing that provokes me the most about this report is that it refers to the railroads of Canada doing away with the historical, traditional and contractual obligations to provide passenger services. Believe you me, Mr. Speaker, if they are allowed to do that I think it would be a very retrograde step in the history of this nation.

• (4:30 p.m.)

One of the first hearings that was held in connection with the applications made by the railways was in the County Courthouse at Owen Sound, Ontario, commencing on Tuesday, March 31, 1970, at 9.30 in the morning. That particular hearing lasted three days. This is an indication of the amount of interest there was in this hearing. Representations from municipal councils, county wardens, chambers of commerce and old age pensioners were heard. Of particular interest to me was the fact that the provinces of Alberta,