

The Budget—Mr. Thompson

be ready to pay the price for it instead of jeopardizing it through all sorts of manoeuvres.

The first project concerning the grain elevators cost the company about \$1 million, out of which \$375,000 went towards additional dredging, engineering and the hiring and travelling expenses of four contractors. On top of that, they started picketing the site until the company finally decided to drop the project following a struggle between unions. All the workers belonged to some union and had nothing else to gain except the possibility of choosing one union or the other.

Of course they need wharves, up to date equipment and public services which are the responsibility of the three government levels. That is why I solemnly urge everyone concerned to encourage them to help each other, so as to provide our many unemployed with jobs, for their plight is no longer acceptable in a highly industrialized country such as ours. There are many projects, but the time for consideration is now over. It is high time we should take some action and I will quote Churchill: "Give us the tools, we will finish the job".

Some hon. Members: Hear, hear.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to refer briefly to some of the basic principles behind the budget we have before us. I shall refer to the economic prospects ahead of us and shall direct the attention of the House, and I hope the minister, to one or two aspects of the budget which I believe to be of vital importance to every Canadian citizen. First of all, I should like to extend my congratulations to the minister for having brought in a balanced budget. For years, we have been asking that government expenditures might be held in line with the government's income. The tremendous increase in the governmental debt during recent years, combined with the tremendous increase in interest rates, has resulted in a very heavy tax load for the Canadian taxpayer which is neither productive nor service rendering.

Having said that, however, what disturbs me about the budget is that it gives the impression the government has cut back its expenditures, is holding down on pressures that are exerted upon it, and has thus balanced its budget when in reality the government has had, and still has, sources of income which have placed an additional tax

burden on the Canadian people for purposes other than just general revenue. I am referring to the continuation of the surtax on income, which is projected forward for yet another year. This tax hits at those taxpayers least able to bear it, those earning low wages. They are burdened unduly by this particular tax. I also refer to the social development tax which was to have been related to the cost of medicare. This tax is being collected from Canadians in some provinces where medicare has not yet been established. One of the issues in the present Quebec election campaign relates to the collection of this tax. This income intended to defray half the costs of aspects of medicare in that province as well as in other provinces has gone into the general coffers of the government.

● (3:30 p.m.)

It seems to me that collecting taxes on this basis, and for purposes which have not been implemented tends to alter the financial picture of this government. When the premier of Quebec talks about the federal government's responsibility to return \$200 million to Quebec, he has some justification for his stand. The same remarks apply to the province of Ontario the residents of which paid their tax for a good part of the year before the province established its participation in medicare. The same applies to several other provinces. The government can boast about balancing its budget because, really, it has been able to literally hold up the taxpayers in certain areas of the country.

Mr. MacLean: It has indulged in larceny.

Mr. Thompson: Yes. That could even be described as larceny. Another omission of the budget and of the white paper on taxation is the necessity of co-ordinated taxing policies to cover all levels of governmental expenditure. Although the white paper was supposed to deal with tax reform, it does not even refer to this area. If the white paper had dealt with that aspect new policies would have been suggested rather than various new schemes intended just to increase the tax revenue. The white paper ought to have dealt with the over-all problem of taxation as it affects all our people and all levels of government. Unfortunately, neither this budget nor the white paper considers the over-all financial problems facing the provinces, the municipalities and cities at the present time. They are completely ignored. The government may not have realized this before, but it