

Income Tax

up by \$820,000 in the last hour, and by almost \$25 million since yesterday at this time. You will doubtless understand what a budget deficit of over \$8 billion means. Some will say that the figure is so high that the average citizen cannot visualize its magnitude.

There is another way of looking at the national debt, and that is to compare it with past deficits. Indeed, between the end of World War II and 1975, the federal government has had 17 yearly deficits. If all those deficits were added, excluding the years where there was a surplus, they would total about the same as the deficit for 1977-78 alone. While we are supposed to be the best administrators in the land, the administration of the country leads to an \$8 billion annual deficit.

In his economic and fiscal statement, the Minister of Finance said this, and I quote:

The government has decided to withdraw for further consideration the proposal whereby part of the investment income earned by a policyholder on the death of the person insured would be taxable.

On reading that, one suspects immediately that the measures announced in the last budget, that is on March 31 last, on the taxing of the income earned on life insurance policies are withdrawn only temporarily since the minister says:

The government has decided to withdraw for further consideration . . .

One may be sure, Mr. Speaker, that following the next federal election, they will come back with the same proposals. I have received hundreds of letters from my constituents who are against such budgetary pollution. And I have risen several times on that subject since last March 31. In fact, on May 4 last, pursuant to the provision of Standing Order 43, I asked that the Minister of Finance withdraw his proposals to that effect, since I felt they were unfair to those who provide for the financial security of their family by taking out life insurance instead of leaving it to the government to provide for their needs. And should the estate constituted by life insurance not serve exclusively the purpose intended by the insured, that is to ensure a minimum degree of well-being?

In a speech made on April 26 last in Quebec City, the former Minister of Indian Affairs and Northern Development commented on the difficulty of surviving in the business world. He mentioned that the percentage of Canadian businesses which went bankrupt within the last five years ranged from 60 to 80 per cent. Most businesses included in those statistics are small and medium firms. They are hard put to it to get in the market already saturated with products and distributors. Usually to set up a small business requires all the financial resources of the entrepreneur, and then the slightest setback forces him out of business.

So, Canadians are deprived of benefits that could be provided to them by thousands of businessmen who are service-oriented and of thousands of good ideas that are lost due to financial problems. Banks are responsible for the credit system which causes such problems. After all, why should banks be concerned about that situation, since their own bankruptcy rate is nil under the present government? In fact, the eleven chartered banks in Canada have increased their assets during

[Mr. Allard.]

the five first months of the present year by \$12 billion, from \$121 to \$133 billion, and their assets had increased by \$16 billion during the previous year. At that rate, we may expect that within twelve months our banks will increase their assets by more than \$25 billion.

Recently, in a booklet on the national dairy program for 1977-78, the Minister of Agriculture (Mr. Whelan) made this statement, and I quote this because it directly concerns the budget:

I believe that the 1977-78 dairy program is one of the best we have ever had. Your income as a milk producer has been increased over last year. As Minister of Agriculture I am sure that you will agree with me that your federal government has provided you with a very positive dairy program.

Well, no, Mr. Speaker, dairy producers do not think so. Be assured that I have full knowledge of the matter. As a matter of fact, as recently as last week I received from one of my fellow countrymen a letter which reads as follows: "You are probably aware that the Canadian Dairy Commission has not sent us our subsidy cheques since the month of April 1977. We ask you to join us in protesting before the Department of Agriculture. You probably know that farming incomes still decreased this year, which demonstrates that things must change." I call it five o'clock, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please. It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills.

Is motion No. 2 in the name of the hon. member for Matane (Mr. De Bané) allowed to stand?

Some hon. Members: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

PRIVATE MEMBERS' PUBLIC BILLS

[English]

BRITISH NORTH AMERICA ACT, 1867

MEASURE TO ABOLISH THE SENATE

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-203, to amend the British North America Act, 1867 (abolition of the Senate) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I suppose I should have remained in my seat in case hon. members were ready to vote on my motion without further debate. After all, that is an admission that this is not the first time I have brought in this bill, the purpose of which is to abolish the Senate and to establish the Parliament of Canada on the basis of democracy, namely, that it consist only of persons, men and women, elected by the people of this country and responsible back to them.