

*The Budget—Mr. Thompson*

down. I am speaking here of the construction of government buildings and the type of construction that is concerned with the World's Fair in Montreal as well as the centennial celebrations of our country.

This type of construction, which is truly non-productive in the sense of increasing the productive value of our economy, could well be slowed down. It could well be spread out over a longer period of time. I think what the minister should have done in his Budget was to give a new direction to the economy in these areas of priority and to have encouraged on the one hand a greater degree of expansion while on the other hand slowing down those areas that are not so much concerned with direct productive increase of the over-all economy.

In this regard it is interesting to note what is happening in connection with Expo '67. According to press reports yesterday the deficit for Expo '67 is going to be approximately \$82 million, and the federal government is going to be responsible for half of that. I am not saying that construction of Expo should be slowed down, but this is the type of development that is really getting out of control. The construction of government buildings and that type of thing is all in this area as well. In fact, I think the danger that we face in Canada as a result of the Budget introduced by the minister—this is the reason I cannot agree with Budget policy—is that it will put this country into real difficulty instead of solving present problems.

There are certain areas where the expansion program is going ahead much faster than in other parts of the country. The two western provinces lead Canada in this regard, and Ontario is close behind, so far as a percentage increase is concerned. We should not be slowing that down; we should be encouraging that to go forward because that is where we are going to increase the value of our over-all economy which is going to help those areas that do not have the same increase in production.

I am concerned that the government in the Budget has seen fit to decrease the external aid program. Our external aid is not going out in the form of dollars to be spread across the world. We are using what we are able to produce and using our own personnel to help other people. This aid, therefore, comes right back to help us. I feel that this kind of aid program has some real hope of doing something big. We are using the wrong approach by reducing our aid; we should be increasing

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it because it is also part of our international responsibility.

I believe, Mr. Speaker, there is another area in which the government should be applying the brake. This is the area of government expenditure as it relates to the increasing size of governments in Canada. The cost of government on the federal scene this year, along with the normal amount of supplementary estimates we can expect to be added to the proposed Budget, will bring federal expenditures into the neighbourhood of \$10 billion. If we add that to the municipal and provincial budgets, we will find that in Canada today the prospect is for government expenditures to be at a level of approximately \$20 billion. I do not believe we can afford this kind of luxury at this time.

I believe the Senate proposal for a basic annual income for senior citizens was the logical way for the government to help this area of our economy. The amendment to the amendment upon which we voted last night would have affected the entire structure of the economy. It was out of place at this time and therefore we could not support it.

I do believe the government should have been taking more care to slow down the increase in expenditures which have nothing to do with the productive increase in our economy. Along with this there should have been certain areas of tax reduction. I think it is interesting to note that the Alberta government has instituted a policy under which it is eliminating its share of death duties. I noted a statement in today's business section of the *Gazette*, in the column written by John Meyer, in which he suggests that succession duties might be one area in which we could decrease taxes and increase our own ownership of the economy.

This article says that the implementation and retention of death duties has done more to contribute to the sale of Canadian assets to foreigners than any other factor. More would be gained toward maintaining Canadian ownership by modifying these, indeed by dispensing with them altogether, than any number of Canada Development Corporations. This article refers to the differences in government about whether to go ahead with the Canada Development Corporation, and apparently these differences do exist. This type of tax reduction, I feel, would have done a great deal to speed up the productive sector of the economy instead of running the risk of slowing it down and sending this country into