

*The Budget—Mr. Forrestall*

at in some depth—a realization of the necessity of putting more money into the economy. This budget should be considered in the same way as the white paper on tax reform had to be looked at for loopholes and for gimmicks before it was thrown out. I think this budget will have to face the same fate because, as I said, it does not even begin to provide the massive injection into the economy of consumer dollars, dollars in the pockets of people that are required to stimulate the manufacturing sector.

This budget is insufficient. It does not attempt to go nearly far enough with respect to providing the wide ranging base upon which the government, if it had chosen to do so, could have gone ahead hand in hand with industry in bringing the economy back to a level acceptable to the majority of Canadians. This level is not spelled out clearly enough by the minister when he merely indicates that it is the desire and the hope of the government to provide employment opportunities for anybody who wants to work. That is like paying lip service to mother love. It is an excuse for laziness and ineptness, and an excuse for having so badly misjudged the economy of this country that at the last moment the minister had to reach into his desk and bring out one of three envelopes. But he did not bring out the right one. If he thought it was the right one, he should have taken another look at it before he stood in his place the other night and delivered it to us because it will come back to haunt him and the government.

The budget does nothing with respect to tax reform. Tax changes and gimmicks, welcome as they are, are not tax reform. The entire nation noted the forcefulness with which the minister defended his principles with respect to the equitable distribution of moneys and tax reform. People from one end of the country to the other have listened to him. Frankly, I did not expect him to go as far as he did in abandoning the principles that he and the government so stoutly defended for so many months. But he did take a new course. I do not think the new course will take him where he feels he wants to go. I should like to quote briefly from an editorial comment which was written immediately following the budget, and it must be taken in that context. It appeared in the *Chronicle-Herald* of Saturday, June 19, 1971, and it reads as follows:

While Mr. Benson must be given credit for having finally seen the dangers and drawbacks of his former taxation philosophy, he should hardly expect to receive excessive praise and gratitude now that he has been persuaded, by a massive force of expert opinion,—

Not the least of which was led by the Leader of the Opposition (Mr. Stanfield).

—not to introduce a tax system that would have had the most harmful effects on the Canadian economy.

It is regrettable that the people of this country will, for the time being, be lulled into a false sense of security. If I have anything to say today in this budget debate, may I point out that it is a subterfuge, a camouflage, a hiding from the Canadian people of the true facts of the plight of our economy. I suggested earlier that it has not even put us on the road to the type of reform and the type of

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investment that is required. If the government honestly believes it has gone far enough, then I will ask it to listen to the words that will be directed to it during the next five or six days, hopefully from its own side of the House as well as from the opposition side. I hope it will listen, and accept one of the clear messages that will be left with it, namely, that it simply did not go far enough.

• (4:40 p.m.)

For more than a year, the leader of my party has spoken clearly in support of substantial reductions in personal and corporate taxes, indeed reductions to the amount of 6 per cent. I ask government supporters how close does the present tax relief come to that level? I point out that that is a minimum level to which we could have gone, or to which we should have gone if we were serious about getting Canadians back into full employment.

A report recently released indicated that low income people pay out more in direct and indirect taxes than do people with higher incomes. This may have triggered the government to do what it did. It saw the necessity for action, but did not see beyond the immediate problem to the much broader problem. I think the government reacted to that report, and to it only. I think the government reacted to the thousands of letters it must have been getting over the last year complaining about the immorality of some of the taxation principles and practices for which it was responsible. Of course, the government had to change some of these. God in heaven alone knows why some members of the government were not shot by some of the irate taxpayers who are spread out from one end of the country to the other.

It is difficult enough for these low income people to live, without bearing the iniquitous taxes they had to live with during the past year. So, the Minister of Finance has made a change there. The Minister of Finance has done nothing to put the type of money into the economy that is required if we are to get on with the job. He has made tax changes, but that is not reform. There is no way it can be construed as reform. I wonder if anybody on the government side will have the courage to tell us why there was a total abandonment of the principles of tax reform as set forth in the Carter Commission Report? I wonder if any of them will bother to deal with that. I wonder if all they do will be to stand up and pat one another on the back for the tremendous job they have done for low income people.

As a matter of fact, I wonder if government supporters will have the courage to tell low income people that what they have done is just for the next few months, and that in January they will let them know what their fate will be for the next year. There is a phrase that goes with that attitude, too. We have no assurance, other than the minister's word, on what is going to happen after January, 1972. We have his platitudes, his pious hopes and dreams. We have listened to them for the last two or three years and they have not been very accurate. I suggest to the people of Canada that there is no reason for putting any faith in what is said on the floor of this