

*The Budget—Mr. Colin Cameron*

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** That was in 1964, and I presume it would be much more for 1967. Then, the estimate for the loss in revenue caused by the elimination of depletion allowances for oil companies and tax concessions for mining companies were estimated at \$150 million in 1964. I think the minister will agree that the commission has the services of some expert research economists. If these depletion allowances and special tax concessions were done away with and the Carter commission's write-off provisions were included there would probably be about \$124 million more income in 1967 from that source.

**Mr. Sharp:** For what year?

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I beg your pardon?

**Mr. Sharp:** The hon. member usually will answer questions and I put this question to him knowing that he wants to be serious. I say, for what year, because we have examined these figures and there would be no early revenue from any of these sources.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I stand corrected by the minister, but I find it difficult to accept that there would not be any revenue this year.

**Mr. Sharp:** Or next year.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** I find that difficult to believe. The minister would have to produce a more convincing argument before he could convince me of that.

**Mr. Sharp:** I shall do so.

**Mr. Cameron (Nanaimo-Cowichan-The Islands):** The Carter commission has also suggested that insurance companies should be taxed at the same level as other companies in the country. I think in 1964 this would have yielded some \$75 million. Here we have a total of rather more than \$400 million based on figures for 1964. The minister thinks that in 1968 he will have to go into the market for \$750 million. I suggest his task would be made so much easier if that were reduced to the sum of \$350 million.

I should like now to turn to the question of the minister's long range troubles, because they really are far more important to us than the troubles he is having at the present time. One of his troubles is compounded by the circumstances drawn to the attention of the house last night by my colleague the hon.

member for Waterloo South (Mr. Saltsman), that is the unbelievably large volume of debt that has to be redeemed in 1968. I am astounded that two successive governments should have committed themselves to the economic imbecility of having such vast amounts come due in the same year. This is the situation the minister has to face, so he has been receiving some opposition, or perhaps I should say experiencing some difficulties in selling his bonds. The result has been that the chartered banks this year, up to November 29, 1967, took an unprecedented volume of these bonds, some \$800 million. I hope I am not too cynical when I suggest there might perhaps be some connection between that action on the part of the chartered banks and their action in raising their prime rate.

I drew this action to the minister's attention, and he promised me he was going to investigate. If the investigation proved my allegations were right, he was going to take action with regard to one little racket on exchange charges. I feel there must perhaps be some connection between the silence of the minister and the fact that the other day I asked him if he was asking the chartered banks to exercise the sort of restraint he was asking other factors in the economy to exercise. He told me yes. Later, however, I heard him suggest during an interview that what he had reference to was the action of the Bank of Canada in persuading banks to exercise restraint in the amount they would pay for deposits. He has not yet answered whether or not he pointed out to the chartered banks that really this increase in the prime rate was totally unjustified, particularly since it took place at the very time the banks were reporting high dividends. The profits are very handsome. The Toronto-Dominion Bank makes a handsome profit and says that their profits rose to a record of \$12,284,720 from \$10,892,000 the year before. There seems to be some connection between there not being any reply by the minister or the Bank of Canada, and the fact the government is obliged to the chartered banks for helping them to recover from their own lack of care by having so many bonds mature in the same year.

The minister has I think a more fundamental problem in coping with this situation in the economy than trying to cope with the particular financial jam in which he finds himself. This problem is outlined in a general way by referring to the continuing rise in prices, the continuing rising unemployment