

The proposal would confer greater benefits on high income taxpayers than on low income taxpayers, but he does not talk about that either. It militates in favour of those with a strong bargaining position in society; yet out of the other corner of his mouth he talks of the overbearing strength of labour unions and other organized members of society relative to those who are unorganized. I should like to hear him talk out of the middle of this mouth so that I might be able to understand what it is that he is saying. A uniform deflation of incomes for tax purposes, as proposed by the Leader of the Opposition, would not be equitable for the reasons I have stated. Moreover, such a proposal would deprive the government of Canada of one of its most effective and equitable fiscal tools and would itself contribute significantly to inflation.

The proposal to deflate personal tax liabilities for changes in the price level would weaken the capacity of personal income tax for automatic stabilization. The result would therefore be a stronger inflationary pressure than that which would be experienced with the present tax system, or increases in taxes to offset the deflation of personal tax liabilities. To raise personal income taxes would merely undo the Leader of the Opposition's proposal, while no other tax which could be raised is as equitable as the personal income tax. Of course, he said, it would force the government to bring its tax proposals before Parliament. I have only been in the parliamentary system for four years but it is my understanding, based on observation, that that is exactly what the government has to do every year or whenever it brings in a budget. So I do not see what outstanding help it would be to force the government to do something it is already forced to do, and has been for years.

The amount of a taxpayer's tax for one year would be uncertain until the price index was fixed. And this from a man who for the last 2½ to three years has been going around the country lighting little brush fires with his little cigarette lighter, or whatever it is he uses, telling everyone that the uncertainties created by the present government have caused the so-called trouble that he sees at every hand! If there have been uncertainties before, this proposal would merely add more. Obviously, it is inconsistent to determine personal income tax in constant dollars while other taxes, such as the general sales tax, remain unadjusted.

I do not always agree with the *Winnipeg Free Press* but occasionally they see the light on a clear day. With regard to the proposal made by the Leader of the Opposition they have this to say:

If Mr. Turner had taken Mr. Stanfield's advice . . . the borrowings would increase also. The government would extract more than \$2 billion out of the nation's savings—money that otherwise would be available for job-creating investments.

Again they say:

The difference between Mr. Turner and Mr. Stanfield is that the former will use the old device of crude monetary inflation as little as he thinks possible, while the latter would use it recklessly on a far larger and unspecified scale.

And again:

—if Mr. Turner is desperately trying to make the best of a bad job—

### *The Budget—Mr. Dinsdale*

That is, vis-à-vis inflation.

—Mr. Stanfield goes much further and would make it still worse by piling monetary on top of cost-push inflation.

And finally:

Without the responsibility of office, he is simply trying to win an election with popular but irresponsible promises.

I do not know how anyone could put the position better than that. It is almost like the good old days of Dafoe, the way it rings. I am glad to see they have at last been stirred to pungent writing; they have needed it for some time.

So much for the Progressive Conservative party's platform. If that is their platform, I rejoice that an election cannot be too far ahead, because this spells "progressive" increases in taxation and "conservative" hard times, all wrapped into one neat little blue ball. If you do not mind, Mr. Speaker, I will stick to the Turner budget and the Trudeau government. I am confident that when the time comes to test their judgment, the vast majority of the Canadian people will decide to do the same.

**Hon. W. G. Dinsdale (Brandon-Souris):** Mr. Speaker, the budget debate is one of the important debates of the parliamentary session and many valuable contributions have been made to this discussion thus far. Actually the budget, as it is brought down each session by the government in power, is the fiscal instrument by which the government stabilizes the economy and announces the growth policies that are going to be implemented. It is interesting that the debate on the budget as it resumes this week is somewhat different in its approach from that taken last week. Usually in a parliamentary program the budget debate proceeds undisturbed and uninterrupted. Then you get continuity in the debate and a little more vigorous give and take. I have been listening to the debate for most of this afternoon and it seems that as each speaker succeeds another there is a lack of communication and dialogue. Each speaker is operating in a vacuum.

I suppose this has been caused by the interruption of the proceedings to deal with what the government regarded as a matter of great public importance and urgency, namely, the implementation of the nominal increases in old age security, veterans benefits, disability pensions, and so forth. The legislation was rushed through, to the extent that the other place was called together for an unusual Friday sitting so that everything could be in place for what was anticipated to be the calling of an election prior to last weekend. That election did not come and as a result we find a remarkable change in the mood of this House and in the attitude of the government as this renewed debate on the budget takes place at this time.

• (1640)

Because the budget was planned as an election budget it does not deal with the fundamental purposes of budgets which I have already outlined, namely, the use of fiscal instruments by the government to deal with problems in the economy. This budget does not come to grips with the fundamental economic problems of Canada as they confront us at the moment. It is more in line with what might be described as the "ad hococracy" approach to basic issues. I shall be dealing with "ad hococracy" as it applies to other