

The Budget—Mr. Badanai

and expand and create employment. The productivity council is one of our long range measures by which Canada is going to vastly increase its production. I am trying to deal with all these things in the time allocated to me. There is the matter of getting our dollar down to par, an objective in which the brilliant Minister of Finance has succeeded so admirably. The trade conference convened by the ebullient Minister of Trade and Commerce (Mr. Hees) should have a great effect on the economy of Canada and by increasing our exports result in a phenomenal increase in employment.

But, Mr. Speaker, the government cannot do it all. Last year our gross national product was greater than ever before but 5,000 municipal governments, 10 provincial governments and one federal government only accounted for 15 per cent of that gross national product. In other words, the goods and services produced by all levels of government only amounted to 15 per cent of our gross national product or our wealth.

Who then must solve the problem of unemployment? It falls upon the other 85 per cent who are engaged in free enterprise. The government is not shirking its responsibility. The government wants to lead, to encourage, to assist in creating opportunities for this 85 per cent by the legislation which we have passed. The problem is a tremendous one and I entreat the support of all the Canadian people in solving it.

Mr. Hubert Badanai (Fort William): Mr. Speaker, first of all I should like to congratulate all those who have participated in this debate. The various points of view advanced, even by way of disagreement, should be helpful to all concerned. A sufficient time has elapsed since the supplementary budget, sometimes referred to as the baby budget, was introduced on December 20 last to formulate an accurate assessment of the event, the advance notices of which were full of optimistic predictions.

These predictions, like many others involving pieces of government legislation, proved to have been mere wishful expectations which failed to materialize. The minister, in a discourse an hour and a half long, took the occasion to deliver a stern lecture on the vital need for management and labour to hold back on wage and price increases and, at the same time, to strive for increased production. Indeed, in his effort to impress the Canadian people, the minister managed to impress only himself with the legal verbiage with which he hoped to cover important omissions which I shall endeavour to enumerate during my allotted time in this debate. First, however, I should like to indicate my

pleasure over the couple of measures the budget contains with which there is no quarrel on this side of the house.

We commend the introduction of the proposal to allow university tuition fees to be deductible for income tax purposes. We also welcome the decision to allow accelerated depreciation write-offs by firms which undertake to establish new manufacturing facilities for new products. However, in this connection, an idea advanced by Professor Stanley Surrey of Harvard University should have a great appeal and, personally, I think it would be a decided improvement on that proposal contained in the budget.

Briefly, the idea is this. Instead of giving business and corporations a faster write-off on plant and equipment, leave the depreciation deduction as it is and give business an investment credit that would cut a company's tax bill as its total investment expanded. Under this proposal a corporation or business would deduct from its tax bill a percentage of the amount by which its investment in new plant and equipment during the year exceeded its current depreciation deduction.

In that way, a company would benefit in direct proportion to the amount of increased plant and equipment that it creates. If this method were implemented the treasury would lose some revenue but would make it up and more by closing probable loopholes. This method could also mean the establishment of new industries.

I have tried hard to find a good reason to justify a reasonable degree of appreciation for this particular baby budget except to provide an opportunity for hon. members to speculate on the inscrutable working of the mind of the Minister of Finance (Mr. Fleming). I was rather astonished to hear the parliamentary secretary to the Minister of Finance (Mr. Bell), in his speech on the debate, as reported at page 1077 of *Hansard* say this:

—seldom has a budget met such a universality of approval from objective critics.

If he had said "universality of disappointment", he would have been much closer to the facts.

The hon. member for Halton (Mr. Best), the Minister of National Revenue (Mr. Nowlan) and others have tried hard to create a diversion by confining their speeches to lopsided opinions of the Liberal rally and prophecies of doom for the Liberal party, intended more or less to draw the attention of the house away from the shortcomings of the budget.

The hon. member for Vancouver-Kingsway (Mr. Browne), who suffers from the illusion that the majority of Canadian taxpayers paid