

*The Budget—Mr. Olson*

farm machinery prices to study increased prices for farm machinery. The farmers want action. As the hon. member who preceded me said, we have all these commissions and studies but we have no action.

One of the basic mistakes the government made was to split the Department of Agriculture under so many heads including the eastern agricultural administration, the Minister of Forestry and Rural Development (Mr. Sauv ), the Minister of Trade and Commerce (Mr. Winters), and the Minister of Transport (Mr. Hellyer), who is concerned with the transportation of grain. We are now going to have a new minister of consumer affairs who will be dealing with prices. The department has been split up to such a degree that the farmers are becoming sick and tired. The Minister of Agriculture (Mr. Greene) has been reduced to nothing but a purveyor of Liberal propaganda instead of the minister responsible for deciding government policy in respect of agriculture.

In view of all these circumstances, Mr. Speaker, the farmers of Canada have no alternative but to request us to do everything we can to remove this government from office.

**Mr. H. A. Olson (Medicine Hat):** Mr. Speaker, I should like to take the opportunity the budget debate provides to make a few comments about the proposed tax structure amendments we hope will be coming before the house within the next few weeks. The reason I should like to comment on this matter at this time is that in my opinion some damage has been done to the economic plans for development in certain parts of the country as a result of the misconception, if that is the word, which surrounded the royal commission on taxation shortly after its recommendations were made public.

Its recommendations suggested a number of profound changes in our tax structure. Indeed, I think it would be fair to say that the acceptance of its recommendations would involve a completely new tax structure compared with the one in existence today. This proposal caused some uncertainty in the minds of those who plan for industrial and commercial development because it wrongly presumes, in my view, that the recommendations of the Carter commission should be the nucleus around which the new tax structure should be built.

I am grateful to the Minister of Finance (Mr. Sharp) for inviting comments from interested groups all over Canada on the

[Mr. Danforth.]

Carter recommendations? We are also grateful that he made it clear in his speech to the house several weeks ago that the government intends to produce a white paper outlining government policy and that the report of the royal commission would be a useful document but not necessarily the basis upon which government policy would be built.

Having said that, let me hasten to add that there are many good and perhaps ingenious suggestions in the Carter commission report. It is not, however, the beginning and the end of all the amendments required in our tax structure. Whether or not one agrees or disagrees with what the royal commission recommended, there are some areas where insufficient study has been made or at least insufficient attention has been paid to recommendations in respect of equalization of the tax base or contributions. There are suggestions in other areas which are so far reaching it is difficult, indeed impossible, to anticipate the results of their application to tax law. As the Minister of Finance said several days ago in the house, it is unwise for any government to attempt to apply laws when it is impossible to anticipate the results with some accuracy. This is particularly true of tax law because it is so vital to the growth of industry and commerce and to the welfare of Canadians generally.

In looking at the whole matter in what I hope is an objective way I suggest that members of parliament should be concerned about drawing the attention of the minister to inequities, loopholes and injustices of all kinds which exist in our present tax structure. Perhaps they should also make suggestions as to ways and means of correcting these inequities and injustices. It is not my belief that we can suddenly reach a point at which we can set aside everything we have followed over the years and introduce a completely new concept. We must move gradually in this field.

Those of us who have taken some time to study the Carter commission report will recognize that the original suggestion was that this new concept must be accepted in total or rejected in total. I suggest that view is unacceptable. There are some recommendations which ought to be accepted but certainly we should not accept the whole package. I am pleased to note that there has been some retraction of the assertion that we must accept the whole package or leave it alone.