

The Budget—Mr. Caouette

it seems that it will be with us until December 1970. Does the minister have the cheek to pretend that this is not an increase in taxes? Indeed it is and the surtax which was supposed to be a temporary one will become permanent.

I say at this stage to the Minister of Finance and to the government that this surtax will never be abolished and that should it be removed, it will be replaced by another tax which will become permanent. That is mere window-dressing and the people are being fooled that way.

The minister says there will be no tax increase. In his budget, he says airplane tickets will be taxed. This means passengers will have to pay more for their airplane tickets as well as people using air carriers to ship goods. There are no tax increases, no, but there are increases in airplane tickets.

The minister states on the other hand that customs duties will be abolished on certain goods imported from the United States. I know that this measure will perhaps help the wholesalers and the retailers, but will the minister really reach the consumer? Can he guarantee that the consumer will pay less?

The customs duties are to be removed to enable the Canadian industry to compete with other industries. But since when can the Canadian industry compete with the American industry? The United States have a population of 200 million and when they produce, for instance, 150 million television sets while Canada produces perhaps 10 million sets, can we say that we can produce at the same cost as the United States? We must, of course, be logical and honest and let the truth be known. With such methods, the Canadian industry will face such competition that, in a few months, we will perhaps see an increasing number of industries closing, employees being laid off and unemployment growing. That is the prospect put before us by the Minister of Finance.

Mr. Speaker, instead of abolishing the customs duties imports, which deprives the government of revenue, the minister should have used those customs duties to subsidize the small Canadian industries in order to enable them to reduce their costs and to compete effectively with the Americans and the other countries. By so doing, the government would have made a positive move. Instead, it did nothing but worsen the situation of these industries.

It seems to me that the government would have acted more logically if it had kept the

revenues coming from such duties because, as I mentioned a while ago, the customs duties now bring in \$760 million to the government. As for what will be exempted from duties, let us suppose that it is a matter of \$200, \$250 or \$300 millions, that could have helped the small Canadian industry to survive, and not to wind up, as seems the government purpose at the present time.

● (4:30 p.m.)

In other fields, the minister tells us that from now on tourists will be allowed to bring back from the United States \$100 worth of goods instead of \$75. However, not all Canadians spend 48 hours in the United States. Members of Parliament, businessmen, those who have decent positions can go. But can the unemployed, the poor, the sick, the disabled visit the United States and avail themselves of the right to bring back \$100 worth of goods after a 48-hour stay? Most Canadians have never set foot in the United States and probably never will.

Mr. Speaker, I would have thought that the government would have announced in the construction field, for instance, the removal of the 11 and 12 per cent tax. But no! The government says: We cannot change the income tax or the taxation system. It looks as if taxes are not increased but they are really.

This afternoon I asked the Prime Minister (Mr. Trudeau) if some opposition members would be invited as observers to the conference to be held in Ottawa on June 11 and to which the provincial premiers and the Prime Minister of Canada will meet to discuss the Canadian constitution and determine if the provinces are entitled to more revenue and to taxation adjustments more satisfactory than those existing at the present time. So, Mr. Speaker, there will be cultural exchanges and talks in the finance field. The provinces will tell us, as usual, that they lack the necessary powers and that Ottawa should impose more taxes in order to distribute the proceeds among the provinces. It would be a kind of national UNESCO. There is the international UNESCO for exchanges in the art field and so on. This would be a UNESCO in the national taxation field, but not with the same meaning as the international UNESCO. My interpretation of a national UNESCO is as follows: Union naturelle des essoufflés sociaux avec les cocos officiels (Natural Union of Social Windbags and Official Eggheads). That will be their UNESCO. That is the kind of people who will have a meeting in Ottawa two days from today.