

*Interim Supply*

promised on the night of June 24. If this is the solution, how is it to be done? What reductions are to be made? What reductions have been made? Are we to be denied the right to consider these proposals? Are they sound or unsound? Are they wise or unwise? Are they in fact in the national interest? Or another question is this, does the still secret cure lie in increased government income? Will the minister tell us that government income has increased? Has our economy regained its vigour over the past six months? Will existing tax sources produce sufficient income to balance our budget? If this is so, it would be pleasant to know now; it would be wonderful news at Christmas time and a gratifying Christmas message to take home. If this is not the minister's solution, does the government propose to raise taxes to pay for former financial folly? Will it be required to mention the unmentionable? Will it utter the suicidal phrase "increased taxes"?

If this be the solution, is the minister aware of the views of our business leaders, our economists and our tax experts? Does he recognize that our taxation system is totally unsuited to a growing nation in Canada's stage of development? Has the Prime Minister heard that our income tax levy is stifling initiative; that our corporation tax is rendering our industries less competitive, less able to capture a share of the export market? Has he been advised that the forced sale of Canadian-controlled industries is attributable to our succession duty law? Does he concede that family corporations are shopping for foreign buyers to avoid the forced sales which otherwise result when an owner dies? Does the Prime Minister really understand the sacrifice that a working Canadian makes when he pays his taxes?

Is the minister in agreement with our financial leaders, that tax and monetary reform cannot wait for a royal commission? Has he overlooked the two or three years required for investigation and the subsequent time necessary for implementation; a matter of three years, usually, at the very best? Or, as an alternative, does the minister propose nothing? Does he intend to sit and hope that somehow the deficit will correct itself; that somehow things will get better? Finally in this regard, Mr. Chairman, does the minister not know what the government is going to do about our deficit? Is there an insolvency of ideas? Has the oracle not spoken? If the minister has no information at this time about the budget deficit, and if these answers, like so many others, are to be announced at the proper time, then may I ask, what about our imbalance of foreign trade? What proposals has the government of Canada for the long term solution of this problem? We are

advised that the import-export gap grows wider. Even as our exports edge forward, the cost in Canadian dollars of our imports grows even faster. This, of course, is the inevitable result of dollar devaluation on a nation of importers. The new price tags of devaluation and austerity have now been attached to the goods on the shelves. The proof, if proof is required, is that we now have the highest cost of living index in our history.

What medicine does the minister prescribe for these ailments? Are we to put off the evil day by relying on foreign loans? Each time the day of reckoning arrives are we to seek to borrow again and again? How long can we continue to interest these foreign investors? How long can the balance of payments account bear the burden of high interest rates on foreign borrowings? The minister recognizes, I am sure, that already one tenth of our income is contracted to pay the interest on this nation's debts.

If the minister does not propose loans as the answer, what other solution has he in mind? Is the government depending on provincial trade crusades whose real effectiveness no one can assess and, which, if successful, would take years to provide necessary relief? Or will the government ultimately recognize the hard facts of our economic life? Will fearless leadership come forward and tell us seriously and clearly what we believe we already know, namely that we Canadians enjoy a standard of living beyond the nation's present capacity to supply—that we in Canada are enjoying a standard of living made possible by foreign borrowings? Shall we be told that we who have become relative to our population, the largest importing nation in the world, must give up in this generation many of the imported luxuries and the foreign travel to which we have grown accustomed?

Devaluation was inevitable under this government. But it cannot be repeated. High tariffs and the violation of our government's agreements under GATT cannot recur. If this is so, should we not put it up squarely and courageously now? Should it not be made clear that over the immediate term, and until policies which create the proper atmosphere in which the efforts of government, labour and management may combine have been introduced and are in effect, we Canadians must make some personal sacrifices? Must not this message now go out: Buy Canadian? Must we not say: be selective; if you need goods not wholly Canadian, then select those which have the greatest Canadian content? The chief criticism directed against this government is not one based on its past shortcomings. It is, rather, that it lacks the very vision of which it boasted—that it lacks the courage to