

*Effect of Budgetary Proposals*

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, I move the motion, as previously read by Mr. Speaker.

The motion before the House deals with the fiscal measures that the government proposes to introduce during the present session, either by order in council or as a result of the passage of bills in this House. It deals with the budgetary proposals of February, plus the proposals regarding corporate tax cuts and fast write-offs, as proposed during the budget of May last year by the Minister of Finance (Mr. Turner) who indicated that he intends to deal with the provisions of the present budget separately and apart from those of the budget of May 8.

• (1630)

These are part of the combination of fiscal measures that the government proposes to introduce. I suggest the resolution places the whole package honestly before the House as opposed to the sleight of hand that we witnessed by which the Minister of Finance sought approval of the new measures contained in the February budget and made some predictions that the measures arising from May 8, 1972 had nothing to do with the case, but that these to be introduced this year were not part of the government's fiscal proposals for this session. This is another instance where this government finds it very difficult to put something forward in an honest, straightforward manner. Clearly, the budget proposals of February, 1973 and the 1972 proposals to be implemented in 1973 are in fact part of one package, although the government attempts to treat them differently.

This resolution gives the House an opportunity to consider both the 1972 measures and the February 1973 measures as one package. The resolution deals with this package which includes corporate tax reductions and fast write-offs. As to the fast write-offs, the Minister of Finance has expressed his belief that the governor in council has the power to adopt these without the approval of this House. If I understood him correctly, the Minister of Finance indicated that he is considering doing just that. In other words, he will not be introducing the fast write-offs into the House, but dealing with them by regulation or order in council. To do what the minister says he is considering, particularly while parliament is in session, would show the very depth of contempt for this House by the minister and his government.

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** There is only one possible reason the Minister of Finance would consider bringing in these fast write-offs by order in council or regulation rather than by approval of the House. He believes that parliament, the House of Commons in particular, would not approve of these measures if they were put before the House. That is the only possible reason the minister could have for adopting such an attitude of disrespect for the House. It is hard to imagine a more flagrant disregard for parliament than for the minister and the government to adopt, while the House is in session, a tax measure by regulation or order in council for the sole reason that the government is concerned that the House might not approve the measure.

[Mr. Speaker.]

What could be a more flagrant disregard for parliament than that?

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** The minister intends to proceed with the fast write-offs in one way or another. They should be put before this House and the House should accept the responsibility of either accepting or rejecting the government's proposals. Clearly, this is a matter of principle. Surely, all opposition members will readily agree that these tax measures should be dealt with by the House and not by the governor in council or the minister. I hope that on reflection all members of the government will also agree that these tax proposals must be dealt with by parliament. This is a question of principle going far beyond the merits of the particular tax proposals.

In so far as the budget proposals of February 1973 concern employment, they rely principally upon increasing purchasing power through the lowering of personal income taxes and increased expenditures. In other words, the government to some extent has adopted the position we advocated through 1972, the election campaign and since that time. However, I wish to emphasize that if it had been our responsibility, we would have taken a two-pronged attack, that is, an expansionary budget to fight unemployment and a temporary freeze followed by subsequent methods to fight inflation. By expansionary, I mean tax cuts, eliminating the sales tax on building materials, eliminating the tax on all clothing, not just children's clothing, and a real program of incentives for small business.

I emphasize that by expansion we mean tax cuts rather than relying upon increased expenditures. If we have learned anything, it should be that if we want to create jobs and encourage enterprise in this country, the least effective way to do it can well be based on the assumption that this can be done by direct government expenditure. In other words, we believe in expansion through tax cuts not in any way adding to government waste.

Whatever emphasis the government put on the measures to increase employment in the budget presented in 1973 was directed toward increasing purchasing power. This is in marked contrast to the budget presented by the minister in May of last year. The attitude then, and this point of view was expressed by several ministers, was that there was no use increasing the purchasing power of the Canadian people. They said there was so much leakage, so much of it would go on imports, that increased purchasing power in Canada, as was expressed by the government in 1972, would not stimulate the Canadian economy. Their position in May 1972 was that it would simply go on imports.

It is strange to find that in his budget of 1973 the minister deliberately adopted measures designed to encourage not only an increase in spending power, which he said was a faulty way to go about this, but deliberately took measures to encourage expenditure by Canadians on imports. This is another in the series of very remarkable contradictions we have seen in the course of a year and sometimes in the course of a few months by this minister.

A few months ago, tax cuts were the worst thing that could happen. They would drive the country into bank-