

questions to be raised at the time of adjournment tonight are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale); technical and vocational training—request for subsidization of teacher training programs; the hon. member for Winnipeg North Centre (Mr. Knowles); the Canadian economy—effect on pensioners of increasing cost of living; the hon. member for Gaspé (Mr. Keays), northern affairs—construction of replica of *Grande Hermine* for Expo '67.

Hon. Michael Starr (Ontario): Mr. Speaker, in view of the fact that tonight is the presentation night of the budget by the Minister of Finance, and to enable time to be available for reply by the opposition critic to the minister, I wonder if there is any provision that these questions not be taken up at ten o'clock, but postponed to some other time?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order, please. The three questions to be taken up on proceedings under the adjournment motion can be suspended by unanimous consent of the house.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Barnett: It is understood that they are simply to be deferred, and will hold their order.

Mr. Deputy Speaker: It is the understanding that the house will dispense with these questions on tonight's adjournment proceedings.

I should point out to the house that since the hour for private members was not taken up, that this hour also was deferred, and is not to be counted.

Mr. Starr: Agreed.

Mr. Deputy Speaker: Order, please. The sittings of this house are suspended until eight o'clock, pursuant to a special order made on Monday, March 28, 1966.

At 7.15 p.m. the sitting was suspended.

SITTING RESUMED

The house resumed at 8 p.m.

The Budget—Mr. Sharp

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE
MINISTER OF FINANCE

Hon. Mitchell Sharp (Minister of Finance)
moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said:

[Translation]

Mr. Speaker, a year ago my predecessor in office, the hon. member for Davenport (Mr. Gordon), reported to the house that there had been a great and encouraging improvement in the economic situation. I am happy to say that this trend continued in 1965. The fiscal policies he initiated have resulted in further rapid economic growth.

[English]

Royal Commission on Taxation

For all those concerned with fiscal affairs and economic policy generally, 1966 will be a busy and important year. We expect to receive and publish within the next two months the report of the Royal Commission on Taxation which was appointed in 1962 to review the whole of our federal tax system.

It is clearly desirable that following the publication of the report sufficient time be made available for people to study it and make known their views on it. I found on taking office that it would not be possible to take action on the report in the Budget this year. To avoid any uncertainty about it I made clear in January that this budget would not reflect the proposals of the Royal Commission and such is the case.

When the Royal Commission was asked to make a comprehensive review of our tax system it was given a difficult task, to which the Commissioners and many experienced advisers have devoted much thought and work. We in turn will be faced with a difficult and controversial task when we come to reform our tax laws in the light of its report. Naturally we will not be able to consider the Royal Commission's recommendations in isolation. We shall have to take into account the issues we are discussing with the provinces concerning federal-provincial fiscal arrangements. Our reform of the tax system will be governed by two principles: equity and efficiency. Governments are going to need increasing revenues to meet the social and economic requirements of a nation determined to abolish poverty—and I personally share this determination. I believe Canadians

