

Income Tax Act

Mr. Baldwin: Spontaneity, intelligence and validity are the trademarks of this party. I wish I could say as much for my hon. friends opposite. Even the very interesting meeting held in the city of Peterborough not long ago did not produce these qualities. I say that with deference to my hon. friend for whom I have due admiration, but I must say that the meeting which was dreamed up there was sadly lacking in these important qualities. This debate has revolved around an amendment moved by the hon. member for Edmonton West. I think it goes to the root of the problems which face this country today. I am given to understand that on Thursday of this week figures will be released with regard to the economic situation, the cost of living index and unemployment. We all hope that despite the absurd and ridiculous economic policies which have been pursued by this government there in fact will be an improvement shown in these particular industries. But in light of the incompetence demonstrated by this government, in light of its incapacity to fulfil the primary function of government today to provide an economic climate within the framework of which the ordinary citizen can expect to find that standard of living to which he is entitled—and in my view this has not been the case—we have been met with procrastination, with delay, with evasion and with a series of proposals which have not met the root problem which we face.

The very basis upon which this budget was formulated and the extent to which it is being reflected in the bill we have today is founded on false premises. The statements of the Minister of Finance (Mr. Benson), of the Prime Minister (Mr. Trudeau) and of the Minister of Industry, Trade and Commerce (Mr. Pepin) as to the healthy economic condition which we can expect to find in this country have been demonstrated to be completely false and we are facing, even without any international action, another winter of discontent. But we have a situation which has been brought into this country primarily by the action of the President of the United States and, to a lesser extent, by other countries, so that our economic situation is being aggravated to a point where it will be beyond the capacity of many of the ordinary people of this land to bear the heavy burdens which will be imposed upon them during the course of this winter.

We had the message of the President of the U. S. with regard to the surtax. What was the reaction of the government? As one newspaper said, they were running around like a lot of headless chickens. When the master returned there was a little clarification, there was a more even disposition, but basically no valid proposals were made which would give to the people of Canada some aid and comfort with regard to the situation which was being inflicted on this country as a result of the presidential action.

But it has not stopped there. We find that just today a senior official of the United States treasury, Mr. Volcker, the Undersecretary of the Treasury, made a categorical, firm statement at a Senate subcommittee hearing in Washington at which he said quite plainly that in case of any attempt in Canada through the use of the Employment Support Act or regulations under it which would

[Mr. Lambert (Edmonton West).]

have the effect of creating a situation where in the opinion of the U. S. government the provisions of their particular legislation dealing with countervailing duty laws were breached, they would feel free to impose a further charge added to the surcharge which would nullify in its entirety the effect of the employment support measure.

The leader of this party when speaking in this House on the day we came back, September 7, asked during the course of his speech a question of the Minister of Industry, Trade and Commerce. He asked whether it was not a fact that this possibility existed and that the measure of the value of the Employment Support Act would be to a large extent determined by the reaction of the U. S. government. He mentioned this particular opportunity existing under the U. S. legislation.

● (9:40 p.m.)

What was the reaction of the Minister of Industry, Trade and Commerce? He said, "Oh no. The Americans would not dream of exercising their right under this legislation." But repeating what I said before so that it may be brought home to this lack-lustre government, a senior official of the American government today made it absolutely plain that in his view if an examination of the employment support bill, Bill C-262, and the regulations which would be enacted under it made it clear that there was a conflict with the provisions of the American legislation, then the American government would act immediately. This relates directly to the amendment introduced by my hon. friend from Edmonton West because in his amendment there is a requirement for the government of this country, through the medium of this tax legislation and through other means, to introduce an adequate stimulus to our lagging economy.

Under those conditions we find this specific threat. All the very meagre and limited reactions which this government can provide to the serious problem posed by the American presidential action, all it has to offer, will be negated or can be negated by further American action.

I am not intending during the course of this speech to involve this party, and hopefully this chamber, in what could become a very serious situation if these two countries became concerned in what would be only retaliatory action, which could have no other result than to damage our economy very seriously. But I do suggest in all seriousness that the government has a duty to go beyond the sort of pap dished out by the Prime Minister today in response to my question when he said, "Oh, we are going to wait until we find out what the government of the United States is really going to do, but this is all hypothetical." What nonsense, when there is a specific statement by the Undersecretary of the Treasury that the American government is going to act!

Mr. Murphy: Would the hon. member permit a question?

Mr. Baldwin: Delighted.

Mr. Murphy: I am wondering if the hon. member is suggesting that the government should bring its draft