

not only rises in the cost of living but also increases in productivity in the economy.

Secondly, in terms of wage proposals the government should set an example with its own employees, by offering them—not waiting until there is a strike—a wage package which will include as a minimum an increase equivalent to the full increase in the cost of living since the last contract was negotiated. The package should also include a provision saying that future increases during the life of the contract will take into account increases in the cost of living, plus increases in the growth of the economy. That is the general rule which should be followed, and I think it is a good one. There should also be catching up in sectors of the economy where some people are grotesquely underpaid. I think that kind of approach to wages and salaries makes good economic sense in these days of inflation and would provide justice to our working men and women.

Let me conclude with a brief observation. The government does not give the impression that it recognizes the seriousness of our economic position. It is time it did so. Only if there is massive federal government involvement and intervention in the economy can we head off the sort of situation which we ran into in the 1930s. The government must face this fact.

Before sitting down, may I move a subamendment to the main amendment. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by deleting therefrom the words "a further 5 per cent reduction" and by substituting therefor the words "a \$400 tax credit".

Mr. Ritchie: Mr. Speaker, will the hon. member who has just spoken permit a question?

Mr. Broadbent: Yes, Mr. Speaker.

Mr. Ritchie: The hon. member's subamendment provides for a \$400 tax credit. Has he worked out how much money, in total, it involves? Has he estimated the total cost of his proposal, and how much his public works proposals, and so on, will cost?

● (1620)

Mr. Broadbent: Mr. Speaker, we do not have any precise figure for that, nor I am sure does the Conservative party have a precise figure in respect of the 5 per cent tax deduction. I can say with reasonably good authority, from a number of economists, that the total impact of this on the situation we are headed toward, would result in a very significant deficit in terms of the federal budget for the coming year. There is no doubt about that, but it is this kind of deficit in our current economic situation we think is not only justified but is required.

Mr. Stevens: Mr. Speaker, I rise on a question of privilege. The hon. member has stated that we do not have an estimate in respect of our 5 per cent tax deduction proposal. From the time we suggested it we estimated it would be a \$500 million proposal. I suggest it is irresponsible for the hon. member to propose his \$400 program without even giving an estimate of the amount of money about which he is talking.

Income Tax

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker, I would not want it taken that we did not object to the admissibility of this sub-amendment, although I recognize the Chair might be in a difficult position in view of the fact that an amendment has already been received. In any event, we would argue that this sub-amendment again anticipates a clause in the bill, and for that reason is inadmissible, apart from the fact that the leader of the NDP has no idea what the amendment would cost the people of Canada nor, I venture to say, did he even consider that feature in the purview of his argument.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I assume, the point of order having been raised by the Minister of Finance (Mr. Turner), that you will have to rule on it at some point. The main weakness of the argument put forward by the Minister of Finance is in his admission that there is already an amendment before the House which has been accepted by the Chair. I would say that if this were an amendment *de novo* we might have to go through all the various arguments, but the Chair has already accepted the proposition that it is appropriate on second reading of this income tax bill to propose, as a reasoned amendment, that there be certain further tax rebates or tax cuts.

I submit that what is proposed now by the hon. member for Oshawa-Whitby (Mr. Broadbent) is a modification of the form in which the tax reduction already proposed has been made. As I said, Mr. Speaker, you have an amendment in the name of the hon. member for Northumberland-Durham (Mr. Lawrence), which has been allowed. This one simply deletes five words of that amendment and substitutes four words. Actually we are saving a word, as well as some other things. Therefore I would contend that, the amendment having been allowed, this modification of the amendment should also be allowed.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to make a few remarks on the bill which has now been before the House for several days, Bill C-49, and which implements the ways and means motion of November 18 last.

We know, Mr. Speaker, that the Minister of Finance (Mr. Turner) in introducing his ways and means motion was launching a plan of action to fight inflation and help certain categories of taxpayers. Indeed, the principles that prompt the Minister of Finance and prompted the different successive ministers of finance over the last decades are still the same. You may change finance ministers, you may change your experts, you may change your economic advisors, you may change governments, but history shows that we are always back in the same position. As has been often heard, as the popular saying goes, changes only bring more of the same.

In face of the economic situation that existed a few years ago some said we were living in an inflationary period and judging from what members opposite were saying inflation in Canada was nothing to be overly concerned about, there was no cause to be unduly alarmed since in the end Canada was a privileged country with enough production, adequately trained manpower, and in the final analysis inflation was more of an international