

crisis. This government has a record of speaking with great fervour of its concern for small business. But in the recent past, it has turned around and increased income taxes by 7 per cent for 90 per cent of small businesses.

What we need are real honest-to-God decreases in taxes for all productive industries. And we need tax decreases also for the private individual. We must permit him to retain more of his income so he can invest it in Canadian industries and participate actively in relaunching our marooned economy.

I repeat: if we are going to control inflation, the government must be ready to curb the money supply, drastically reduce its own spending, and seriously reduce taxation. But there are no commitments along these lines to be found in the Speech from the Throne. All you find there is a desperate wringing of hands. The government repeats, *ad nauseam*, that it can do nothing about controlling the rise in prices because all this is due to an international situation over which it says it has no control. That is just so much rubbish.

Now, let us consider a related problem: unemployment. Here again we have a situation which is worsening. In 1973, the percentage of unemployed was 5.6 per cent, and the projection for 1974 is 6.5 per cent. In December 1973, unemployment in the Maritimes was 9.2 per cent and in Newfoundland it was 14.8 per cent.

The unemployment insurance is costing taxpayers more and more while at the same time becoming less and less efficient. There is general agreement that the whole system should be investigated and reviewed. During the last session the government introduced Bill C-125, which would have altered the qualifications to receive benefits. But then it did not dare bring it to a decision by the house, probably because it feared again that the NDP would have withdrawn its support. The Minister of Manpower has agreed that the system is open to abuses, and probably that is why, while there are hundreds of thousands unemployed, employers still have trouble finding people to fill jobs.

The only efficient way to fight unemployment is to help create good-paying jobs. The only way people will be enticed into working is if there is more money in it, after taxes, than there is in unemployment insurance and welfare.

It should be the task of government, in promoting Canada's economic growth, to encourage a climate in which initiative and incentives can operate for the good of the individual and society. It is essential, honourable senators, that the level of Canadian economic activity be accelerated at a rate which generates the new jobs and production required by our expanding labour force and increasing population. It is essential to close the present gap between potential and actual GNP. We must stop wasting the potential and ability of all those Canadians who are presently unemployed.

Government must end its war of attrition against the private sector. Our primary goal must be to encourage initiative and productivity. There is nothing unholy about profits, and nothing inhuman about the free market. Profits are what make the achievement of social and economic goals possible. But I doubt that this government is the one

[Hon. Mr. Flynn.]

to create the atmosphere conducive to economic growth. It alternately flirts with private enterprise and socialism. Such an ambivalent posture does not serve to encourage and reassure entrepreneurs.

● (2040)

I looked in vain through this Throne Speech for new ideas with regard to fighting unemployment. Apart from a determination to see production increased, which is bound to increase jobs, the rest is all window-dressing, the same silly platitudes no more impressive now than they ever were.

The Throne Speech speaks of "... developing a community employment policy in a social security context for those Canadians who have particular and continuing difficulty in getting and keeping employment." This sounds like a cop-out.

I have the distinct impression that some statistics are going to be swept under the rug. Those whom this government has been most unsuccessful in placing in jobs, it will now try to have removed from the labour force. Very neat, and completely in keeping with the Prime Minister's philosophy that if some people do not want to work, Canadians should be open minded and magnanimous enough to agree to support them. This is not new as an idea. Welfare statists have been peddling that notion for years, and I am convinced that it is all wrong, both morally and economically. We want to see everyone actively engaged in bettering Canadian lives. The government's attitude, as I see it, will merely encourage those in society who have parasitic tendencies.

I come to the problem of energy. The energy crisis or so-called crisis has probably been welcomed by the government, and it would not surprise me to learn that the government had exaggerated its importance. It had good reason to want to direct our attention away from inflation. Or maybe it was seeking to provoke a confrontation—one which might ripen into an election issue. In fact, we have not been short of oil or gas, nor does it appear that we will run short in the near future. The problem which has been highlighted by the decision of the Arab states is not new to Canada. We have for many years considered the question of being self-sufficient by extending the crude oil pipeline to Montreal. In fact, in 1967, the Progressive Conservative Party suggested that extension, and repeated it a year ago. The idea was ridiculed by the government.

The federal-provincial conference on the matter revealed, without the shadow of a doubt, that the government has had no energy policy. It was unable to offer leadership. It shirked its responsibility. It sadly lacked in foresight. By acting on a day-to-day basis, the government increased the climate of uncertainty and alienated the West more than ever.

By the way, speaking of alienation of the West, the Prime Minister said the other day that the main reason for this was the absence of Liberal representation in the House of Commons. In other words, the Prime Minister says the alienation of the West is not due to him, but to the West, which does not give him enough support.

If that is the only problem, then, quite obviously, what is needed is a change of government, unless Mr. Trudeau believes, as did Mackenzie King, that a Liberal govern-