

The Address—Mr. Flynn

government has run out of ideas, that it is exhausted, that the Prime Minister has joined the geritol generation and has no energy left. That is why I support my leader's motion that we cannot have confidence in this government.

Some hon. Members: Hear, hear!

Mr. Joe Flynn (Kitchener): Mr. Speaker, I am very happy today to take part in the speech from the throne debate. First I should like to congratulate the hon. member for Louis-Hébert (Mr. Dawson) and the hon. member for Malpeque (Mr. Wood).

This debate takes place at a time of great importance in Canadian history when Canada faces a crisis of confidence in its economy and in its ability to survive as a united nation. In the weeks and months ahead we in this Chamber will make decisions which will inevitably determine the future shape of the Canadian federation.

● (1612)

The Speech from the Throne outlined the major policy directions the government will take in this session of parliament, and my reading of the speech indicates to me that this session will be both productive and very exciting.

I am especially pleased with the announcement of the government that the control period will terminate in 1978, on a staggered schedule. Probably the happiest news a diversified constituency such as mine, with many industries which are anticipating a problem as these controls come off, could receive would be that the controls will be taken off carefully, slowly and in a determined fashion, and we expect the result to be our well-being. It is important to the price stability of the Canadian economy that controls are lifted on a sector by sector basis so that the effects of a free pricing policy are gradually absorbed.

The creation of a monitoring agency to replace the Anti-Inflation Board will add greater depth to the arsenal of the nation's economic planners.

I think there is little doubt in the minds of most Canadians—although hon. members opposite rarely find anything good to say for it—that the Anti-Inflation Board has rendered a valuable service to all Canadians. The annual rate of inflation in Canada decreased from 11.1 per cent in August, 1975, to 6.2 per cent in August, 1976, largely due to the efforts of the AIB. Although the present year's inflation is expected to be approximately 8 per cent, the over all target has been attained due to the better than forecast reduction in the first year. Over-all, the performance of the controls program has been encouraging. The double digit inflation of 1975 is now a thing of the past, and the prospects for economic recovery have improved.

I was also glad to hear the Minister of Finance (Mr. Chrétien) announce in his speech to this House last night that the proposed tax on death benefits accruing from life insurance policies is not to be proceeded with. I have always been of the opinion that this proposed tax would not be in the best

[Mr. Friesen.]

interests of average Canadians. In the period of grief immediately following the death of a loved one the government has no right to impose further grief by taxing whatever is left of the deceased's estate.

I think most hon. members of this House will agree that the two most important problems for us to resolve are closely related to each other. Our continued concentration of effort toward the preservation of national unity will be greatly assisted if we direct an equal concentration of effort to matters in the economic sphere. It goes without saying that a strong and prospering Canadian economy will help unite Canadians.

With respect to economic problems I would like to make several observations on factors which I think will contribute to an economic resurgence in Canada in 1978.

At its present level our devalued dollar will make Canadian products and services more attractive to foreign buyers, and the resultant increase in the volume of our exports will stimulate domestic economic growth.

A total of \$1 billion will be spent this year and next by the federal government on direct job creation, thereby significantly reducing the number of unemployed in Canada.

The spring of 1978 will mark the beginning of one of the largest civil engineering projects in the history of the world; the northern pipeline to carry gas to the energy-hungry south. This will provide immense benefit to Canada in terms of our foreign trade deficit, as well as substantial employment opportunities. It will also result in a marked production increase for Canadian manufacturing and service industries related to the project.

In this session we will be re-introducing tax reduction and investment incentive legislation to stimulate the economy further and create needed jobs. Properly administered, these initiatives should lead to increased confidence in the Canadian economy.

The \$100 tax reduction announced last night by the Minister of Finance should cause a spurt in economic activity in early spring, 1978. I am sure all Canadians will benefit from this initiative. Also of primary importance to any recovery is Canada's competitiveness in the international market place. Canadian workers must make a concerted effort to increase productivity and to engage in responsible negotiations when it comes to wage increases. Every Canadian is acutely aware of the gravity of the situation in this regard. All around this nation we hear that we have been pricing ourselves out of business. I am not sure whether the reason is our minimum wage law, but we are surely in trouble if we do not take a real look at ourselves.

Of equal concern to Canadians is the issue of Canada's national unity. Since the election of the PQ government in the province of Quebec on November 15, 1976, the national unity question has become the predominant concern of many Canadians. During this session of parliament we will be increasingly involved in the course of our national development.