

I should also like to say, in equating the good with the bad, that I could not help but note hon. members' love affair with René Lévesque as displayed at the convention in Quebec City. I for one do not think this will gain them much support in the province of Quebec. I would suggest again that, if the right hon. gentleman had been at that convention, hon. members opposite would have received better advice on that occasion too.

**Some hon. Members:** Hear, hear!

**Mr. Horner:** I was also interested in the remarks regarding our competitive position in the world. There is no question about the fact that Canada faces some severe economic problems. We are having difficult economic times, there is no doubt about that. We are having these problems partially as a result of the maturing of Third World countries. Many of them have more money today than ever before. They are purchasing the results of many technological advances in the developed countries. They are putting those technological advances to work in such a way—

**Some hon. Members:** Order, order!

**The Acting Speaker (Mr. Turner):** Order, please. The minister has the floor and we are here to listen.

**Some hon. Members:** Hear, hear!

**Mr. Horner:** As a result of these advances by Third World countries severe pressure has been placed on the mineral industries of the North American continent. This has also placed severe pressure in respect of commodities which can be manufactured in low wage countries, and I am thinking particularly of the textile industry. This new-found wealth of the Third World countries is coming to the fore and we are entering a period of new maturity in the world.

This can be coupled with severe pressure in Canada and the United States resulting from the high inflationary period we have just experienced. This high inflationary period was certainly not the fault of this government or the result of its policies.

● (1632)

The question of the OPEC nations and their ganging together to bring about higher world energy costs is a problem which is giving Canada some difficulty in its ability to compete abroad.

The hon. member for Provencher referred to the fact that somehow or another he wanted further tax cuts. When reading a column from Dian Cohen, he acknowledged that something like 80 per cent of the federal government's revenue was already allocated, and that something like a little over 70 per cent is already allocated to paying for the debt and that portion which has been divided up and sent out to provinces as statutory payments of one form or another for commitments to which this country and this government have been long pledged. The 80 per cent figure is quite right. The hon. member deplored the national debt. He did not offer any real

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solution, but he suggested that the over expenditures of the government have placed Canadian individuals in a pretty severe position.

I should like to refer to some OECD figures from 1968 to 1976. Personal consumption expenditures have increased by 56 per cent. In other words, Canadian taxpayers or wage earners have 56 per cent more to spend today than they had in 1968. That might be considered as their disposable income—

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** Is that constant dollars?

**Mr. Horner:** Yes, it is 1971 constant dollars. Referring to the same set of figures for the same period, government expenditures for goods and services have risen 41 per cent. So, personal income has actually risen higher than government expenditures.

**Mr. Clarke:** Do you like it over there now?

**Mr. Horner:** Well, I certainly do. Thank you for asking the question.

**Some hon. Members:** Hear, hear!

**Mr. Horner:** I will tell you why.

I listened to the hon. member for Provencher talk about our poor competitive position. He referred to all of the wasteful things the government has done over the past years to put us in that poor competitive position. Let me list a few of them.

**Some hon. Members:** Oh, oh!

**Mr. Horner:** I should like to start off with the item allowing public servants the right to strike. The hon. member for Grenville-Carleton (Mr. Baker) spoke in this debate, and he suggested that some new method must be found to take away the right to strike. When I was on the other side of the House, I spoke on that and I said it was wrong. But I could not convince the members of the Conservative party that it was a wrong way to be going in 1967. The hon. member for Provencher and this party supported that idea. That put us in a difficult competitive position with the United States.

**Mr. Epp:** Who proposed it?

**Mr. Horner:** Let me talk about the guaranteed annual income.

**Mr. Epp:** Who proposed that?

**Mr. Horner:** The hon. member for Provencher has had his say. It is my turn now. In 1969 I fought the guaranteed annual income, when the now leader was a speech writer for the former leader. At that time they both advocated it was absolutely necessary for Canada. They were big promoters of the idea.

Take a look at unemployment insurance in 1971 when the government of the day brought it in. It felt that it was necessary to bring it in for those people who could not find