

Income Tax Act

development of raw materials in that country and provide substantial tax benefits for that purpose? At the moment we face a very severe situation. The United States has put on a 10 per cent surtax. There is threatened protectionism growing in the United States. The only thing they want to admit into their country free of this surcharge and other protectionist devices is raw materials because they are either running short of them or they are becoming too costly for them to develop. We are being drained, and through our taxes are encouraging this drain. This is not a national policy, it is national suicide. I know of very few developed countries that would follow this kind of development policy.

Voices have been raised, and fortunately one voice in particular has been raised. I refer to the hon. member for Duvernay (Mr. Kierans) who spoke from the other side of the House with great intelligence. His comments have received enormous attention across this country; perhaps they have received more attention than the comments of some of my colleagues. But he is not suspect; he is not a member of the opposition. He is a member of the government and, so far as we can see, a loyal party member. His criticism is therefore more pungent or more acceptable when he makes his case against the export of raw materials and the bonus in our tax system to these industries. In making comments both inside and outside this House he has pointed out that in some cases they pay a tax of less than 10 per cent on their earnings as against the manufacturing industry which pays virtually a 50 per cent tax on its earnings.

So everything conspires in this country—the tax system and the public policies of this government—to make us little more than an underdeveloped colony, a servant to a giant industrial state that has run out of many raw materials itself and is now draining our country of them. Surely at a time when we are talking about tax change this is one item the government should immediately alter in order to remove these special advantages and privileges of the resource industries.

This is one reason I have no hesitation in wanting to see this bill killed. The bill deserves to be killed, because I would far rather see it go under than see some of the continuing ill-effects this kind of philosophy will have. It is a policy of "The future be damned. Let us live it up today and get rid of the resources as quickly as we can; we have no obligation to posterity or those who come behind us. Let us get rid of these resources"—and when they are all gone, all that will be left to us will perhaps be to seek on bended knee some kind of a quiet attachment to some other country.

This bill does almost nothing in terms of providing a measure of full employment. By stimulating the resource industries it does not provide the employment required in this country. I know the resource industries are arguing that employment is provided through an overflow into other industries. No one argues that this is not the case. We argue, however, that there are infinitely better ways to provide more employment than is provided by the resource industries.

I saw some figures in respect of the Iron Ore Company of Canada which indicate that for every \$900,000 they

create one job. When we consider the number of new labour force entrants, something like 400,000 every year, plus the 6½ per cent unemployment, where in the world does there exist enough capital to provide jobs from these resource-based industries? It does not exist. Our only hope is that we can develop the manufacturing industries along with other industries to achieve a proper balance in order to provide employment in this country.

There was a time in our society when people were not as concerned about the environment, when people were not as concerned about things like public transit, crowded cities, health and education, and when unrestrained growth was everything. I am pleased to say there are now very strong signs that Canadians no longer have this attachment to growth for the sake of growth alone. They want a little more quality to their life; they want a little more quality to their society. They want to say that some things are more important than others.

How, then are we to achieve this growing feeling in our society if we have a tax system which encourages private expenditure each time rather than providing some incentive to people to invest in public projects through government bonds? How are we to build these public transit systems which we talk about, create the parks that we want so much, improve our hospital facilities or medical research if everything is to go to the private sector, because the private sector, whatever its value may be and however useful are some of the things it produces, does not produce what to me are some of the most essential things of civilized society. The answer is obvious. We want to be able to do it and we will need genuine tax reform to accomplish some of these objectives.

• (9:30 p.m.)

Therefore, it seems to me that this tax bill for which we have waited so long really has not been worth the effort. It is sad to think that it should be put aside and a fresh start made because the government have made such a mess of it. That is what they have done. They have wasted nine years of searching for a proper system of tax reform, and it will have to begin all over again—if not the search, then certainly legislation that will reflect some of the wisdom that came out of the search already undertaken is badly needed in this country.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Mr. G. W. Baldwin (Peace River): Do I understand, Mr. Speaker, that you are about to put the question? I have a few words of wisdom on this motion. I regret I was not here, but I thought that on an amendment as momentous and as important as the one introduced by the hon. member for Edmonton West (Mr. Lambert) at least someone from the government side would have risen to defend the government's record and to indicate whether or not they intended to support this amendment.

Mr. Lambert (Edmonton West): Is the muzzle on over there?