

*Income Tax Act*

mind, illustrates the sad state of economic analysis and the tools we have available to do something about the intentions of the government in this field, good as they may be. I think this press release which the Department of Industry put out amounts, really, to a tremendous condemnation of the educational system of our country, or the civil service of this country, or of this expertise we are supposed to have built up, as we have created this huge civil service. I am sure that if we were to take this proposal to the United States, to some of their economists, they would choke on the formula which has been advanced, because of its rudimentary, primary character.

I am not put up by my party to try to amend this particular proposal for designating areas, but I should like to do what a number of other members have done, that is, to appeal for something immediate, something quick, to convert what is one of the rudest rules of thumb I have ever seen to something that is more useful and more understandable than this formula—something which could be applied to many more areas so as to take care of a number of variables which this press release and the statement by the minister seem to have ignored almost completely.

**Mr. Greene:** I should like to align myself with the hon. member for York South in saying that the budget, which is the precursor of the bill we have before us tonight, will go down in the history of this country as a most important document.

I think it will be remembered largely as showing for the first time the road which I think Liberalism will take in the future. This involves not only what is encompassed within the budget but what is contained in ancillary bills such as the measures setting up the Department of Industry and the economic council. These measures, taken together, indicate I think that in the future this party will devote itself to massive intervention of government in the direction of business and industry for social ends. I think this type of Liberalism has been propounded in the United States very largely by Professor Galbraith and is known there as Galbraithian liberalism. I think this is the first example in Canada of bold Liberal intervention in what was formerly a sacrosanct precinct of private enterprise. I think, also, that in a few years this may lead to something which has been badly needed in this country for many years, namely a clear and definite distinction between the two old parties in this house. I suggest that the party of hon. gentlemen opposite, from the speeches I have heard and, quite properly, by virtue of its historical

background, is more inclined to shy away from this type of intervention into the private sector of the economy.

The Leader of the Opposition has often championed the supremacy of the individual. He has often expressed fears about the intervention of government in business affairs because of the fact that it might encroach on the rights of the individual. I am not one who has ever scoffed at this very genuine fear. Yet I think we on this side have determined to face this challenge and accept the fact that it is necessary for government to intervene for the sake of achieving the satisfaction of certain social needs and purposes. I think possibly that in future years this will be one of the great distinctions between the two major parties, the one favouring massive government intervention for social purposes and the other, possibly, favouring a more restricted type of private enterprise with less government intervention. If the parties could divide on these lines I think it would give the electorate a much clearer choice between the parties than has been the case in the past and I think it would be to the political advantage of the nation as a whole.

With respect to the members of this house I think also it might be an advantage, because certainly the massive intervention of government in business and industry and in what were formerly purely private affairs will be a challenge to see to it that these new encroachments of government do not impair the rights and liberties of the individual to too great a degree. It may be possible that in future years it will be the role of the private member to guard zealously against the encroachments of the rights of the individual during this new march of government into an area which was formerly an area of private affairs. If that be the case, that, too, will be to the good, because it is possible that this house will become something more than a private theatre which plays a little act every day before a select audience in the press gallery, which is apparently its main purpose of existence today.

Having stated that proposition, as a member of the party which sits on this side, may I say I agree 100 per cent with the general premise that it is time the government intervened to a very large extent in business and industrial affairs, as the budget and the other bills which I have associated with the budget, are set up to do. However, I must confess that, though I support these measures generally, and support this party, and believe very sincerely that its leadership is exactly what is needed in this country today and is the best possible leadership available, I still