

reason why we should not do so in the future. The evidence is quite clear that not just Canada but other countries in the world cannot expect the kind of growth which has taken place in the past, and that the sooner this government gets down to recognizing that something important and fundamental has changed in our society, the sooner we are going to come up with answers.

There will be a few dollars thrown around to do one thing or the other, but we are never going to come to grips with any of the problems. The minister is trying to carry water in a leaky bucket, and until he fixes the leaks in that bucket he is not going to have much effect. It is one thing to admire his industry and his running back and forth with his leaky bucket, but it is another thing to accept the results. What is disturbing to me, and to many people like me, is the kind of complacency and unawareness we see on the government side with respect to what is going on in this country.

**Mr. Benjamin:** Like Herbert Hoover.

**Mr. Saltsman:** My colleague is right. Herbert Hoover sounded like a sage compared with the kinds of things we heard from the minister tonight. As I said earlier, I did not expect the minister to come up with all the answers, nor do I anticipate that I can put forward all the answers and find a solution to the problem, but the troublesome thing is that the minister is not even asking the right questions, let alone coming close to any kind of solution. There are changes taking place in our society which I think should be evident to everyone. There simply will not be enough jobs to go around, and it is not just a matter of throwing more money into creating more jobs. The system is not working.

A couple of years ago the Prime Minister (Mr. Trudeau) made a speech which horrified his colleagues. He said that the market system was breaking down. He was closer to the truth then than he has been since. The market system is in fact breaking down. Things are not working. Certain things which are supposed to have one effect are not having an effect at all, or they are having a contrary effect. We will look at some of those things.

Over the last number of years there have been tax cuts of various kinds, very much like the mild tax cuts or the indexing system that the government is proposing tonight. Those tax cuts were supposed to stimulate consumption. During that period when those tax cuts were taking place—and they included sales tax cuts—consumption declined, and nobody asked why. One of the reasons is obvious. Whether they are tax cuts or tax credits, they go to the wrong people. Sure, some of it trickles down, and whenever it does the relatively less well off people receive benefits from our taxation system, but the maximum benefits go to those who already have a great deal.

The minister seems to be very proud of his announcement about how much money is going to be saved by indexing. Some money will be saved, and the amount will be substantial, but let us take a look at how those savings take place. A married taxpayer under 65 with two children under 16 and earning \$5,000 a year—that is the government category—saves \$1.

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However, a member of parliament, or someone who earns over \$30,000 or \$20,000 a year, saves \$195. That is some justice. A person fortunate enough to be making \$50,000 a year saves up to \$537. And then we wonder why these tax cuts that have been made over the years are not having any effect.

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If you look toward the savings package it is quite clear what is happening there. At the same time that these tax cuts are being instituted, the government is providing other benefits. Those who are well off and can put their money away in Registered Retirement Savings Plans or Registered Home Ownership Plans do so. They do not put their money into consumer goods.

The truth of the matter is that for many people in our society, tax cuts do not stimulate the consumption that is supposed to provide jobs; they simply go into savings. The people who have needs, who are not saving, who cannot save—the people who would buy stoves, refrigerators and houses, do not have the money. They are not even in the tax system. This whole business of looking toward tax cuts as an answer to our problems has to be seen as an obvious failure, yet the government continues with this kind of approach reinforced by my friends on the right.

Very often the government tends to pick up the ideas of my friends to my right—whenever they pick up any ideas that is where they look. The indexing system was an idea put forward by the Progressive Conservatives, and I think we are paying very dearly for the indexing of income tax. It is one thing to index at lower levels where it gives a more fair distribution of income. When you index at all levels, however, there are very substantial tax savings for the very rich.

The government budgeted for a deficit of some \$5 billion—an unheard of deficit—and now finds itself with an \$8 billion deficit which is having virtually no effect on stimulating the economy. That was supposed to work. Large deficits were supposed to provide stimulus to the economy and to provide jobs. They are not providing jobs. The tax cuts were supposed to provide incentives to consumption, which was again supposed to provide jobs. They are not providing jobs.

It should be obvious that the system is failing, Mr. Speaker. The system is not working, yet what we have seen tonight from the Minister of Finance is the same old patchwork on the same old leaky bucket. He seems to expect the country to see this as something of value or benefit.

**Mr. Woolliams:** There is no water in the bucket.

**Mr. Saltsman:** Some of it stays in, but not very much. If we examine one of the proposals the government has put forward tonight, it can be conceded that it cannot be wrong about everything. Here it is on the right track. It suggested putting \$150 million into federal spending for job creation. What we would like the government to consider—and we have an amendment to this effect—is that the \$1.2 billion in tax incentives to industry that appeared in the last budget should