

## GOVERNMENT ORDERS

### INCOME TAX ACT

The House resumed consideration of the motion of Mr. Gray (for Mr. Benson) that Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, be read the second time and referred to the committee of the whole, and the amendment thereto of Mr. Lambert (Edmonton West) (p.7763).

**Mr. David MacDonald (Egmont):** Mr. Speaker, as members of the House will recall, we are not at the present time in this House debating the income tax proposals which are presently before us but rather are dealing directly with the amendment proposed by the hon. member for Edmonton West (Mr. Lambert) in this House yesterday. I should like to repeat the amendment to remind hon. members that it is, in fact, this amendment with which we are dealing:

That all the words after "that" be struck out and the following substituted:

This House deeply concerned with unacceptable levels of inflation, persisting unemployment and stagnant industry and conscious of the necessity for meaningful tax reform declines to give second reading to a bill which does not provide sufficient stimulus to the economy of Canada with appropriate tax cuts and incentives, does not contain adequate tax exemptions and is not calculated to materially improve business and labour conditions in Canada now or in the foreseeable future.

It is very important that members of this House recall that it is this matter which is presently before us because it points up the basic weakness in this massive piece of legislation which has been presented to the House. As has been indicated here this afternoon and prior to today, there is a very real need for realism about the problems with which the country is faced at the present time. One would wonder whether someone on the government side, particularly among those who assume functions of responsibility, has somehow entered into a kind of Alice in Wonderland situation in which it is believed that things can be dealt with in terms which seem most attractive to the government, whether or not they bear any relationship to the facts.

The fact that we are going through a very serious economic situation, some part of which has been manufactured deliberately by the domestic policies of the government, and the fact that the government is seemingly ignorant of these present and future difficulties or treats them as peripheral items of concern, seems to me to be a clearcut indication of the lack of realism, or might I say the lack of sensitivity, of the government for the basic economic problems that face Canadians today. The fact that we have had for some months between half a million and three-quarters of a million unemployed, and the fact that there is no obvious indication we can expect any substantial reduction in that number, seems not to have caused this government to think that the measure it was intending to introduce in respect of taxation reform this fall might in fact have to deal with this very serious situation. This government seems more than willing to spend some weeks and perhaps some months in debate on the various intricacies of tax reform without, in the first instance, assuring the Canadian people that it is taking

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every possible step to alleviate the serious problems of unemployment in this country which exist today and which will very obviously increase in the days and months which lie ahead.

There has been no clear-cut indication either from the comments of the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Benson), the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister of Regional Economic Expansion (Mr. Marchand) or any other minister with regard to the economic side of their portfolios that they are prepared to accept responsibility in this very vital area of unemployment. Apart from the kind of glowing remarks that the Minister of Finance (Mr. Benson) is capable of uttering but incapable of fulfilling in terms of action they are quite willing, it would seem, to accept this as a standard situation, hoping perhaps in an Alice in Wonderland kind of way, that somehow it will go away. We have heard of other regimes at other times that have acted as if the problems that were most imminently under their responsibility would somehow cease to exist, as if there were no cause for alarm. Whether it was Nero fiddling in his time or the Czar and his family cavorting in their time, the ignorance of such problems of such massive proportions was simply a reflection of the distance they had placed between themselves and the people, and the degree to which they had insulated themselves from the real problems with which people were faced.

• (4:50 p.m.)

We need action today, not some months hence when we are in the midst of an even more serious economic situation in this country. The bland assurances of either the Prime Minister or the Minister of Finance will do little to answer the basic economic needs of thousands and hundreds of thousands of Canadians when they find themselves in the bread line and out of work. If this government is not prepared to discuss realistically the detailed plans it has now to meet these economic needs, then one can hardly criticize the members of this House who themselves, individually, refuse to discuss these things until the government has met these basic concerns. This government, on top of the fact that it seems to be unaware or incapable of facing the basic unemployment problems in this country, seems also to have opted for a series of economic policies and platitudes which do little to recognize the tremendous change that has occurred even in this last decade with regard to the economic situation, with regard to the monetary and fiscal problems of a highly developed nation such as Canada, with regard to the taxation requirements of other authorities, whether they be provinces or municipalities.

It would seem altogether too clear that the insulation that exists in terms of present problems also works against most of the economic realities that exist in a rapidly changing social and economic situation in this country. It would seem to me that this government continues to demonstrate its inability to face up to the real problems as they have presented themselves day after day to members of this House and to the people of this country. But in proposing this amendment to the House yesterday, we are simply assuring the many Canadians who have already had the opportunity to study the minister's taxation proposals that the government may take serious-