

Income Tax Act

the United States. The government seems committed to adding one adverse economic policy to another. The sum total is a chain reaction which perpetuates and worsens the critical unemployment picture. The country has to suffer the consequences of these ill-conceived policies and nothing short of a drastic and immediate change in those policies will do anything to cure the situation. The story of this government has been a story of rising unemployment and increasing prices. This has been the hallmark of the government since it took office. It is a sad story, a story of unfulfilled expectations. In the midst of all this we are presented with a bill which would deceive the Canadian people, a measure presented as a tax reform package, which it is not. If it were passed, it would do little to strengthen the economy. The Economic Council indicates that the Canadian economy would have to grow at the rate of 5½ per cent per year even to prevent existing unemployment from worsening. With the tight rein the government has been holding on the country in its effort to combat inflation, unemployment was bound to increase.

• (12:50 p.m.)

In July of this year we witnessed the commencement of a government advertising program designed to pass the buck psychologically. "Canada's economic future is very much in your hands; our economy depends on the private sector to create new wealth and employment". This is how one advertisement read. One economist wrote about this campaign:

The campaign would be comical if it were not so insidious, if it were not for this government's unadmirable tendency to solve hard-core economic and social problems with public relations dazzle.

Another advertisement read: "People are still the most important resource we have". I find this difficult to believe. I do not think the government is really convinced of it. The Prime Minister tells us we have to live with unemployment and describes the miseries of unemployment as an unfortunate side effect which cannot be avoided. The Prime Minister does not know what it means to be unemployed. Too few members of this House know what it means to be unemployed, the demoralizing effect on a human being, the wasted days, the impotence which is felt as this situation continues day after day.

An unemployed man finds himself surrounded by an affluent society which, through the medium of high-pressure advertising, would force down his throat messages about all the wonderful consumer goods he could enjoy—colour television and everything else. He cannot afford them, even on the never-never plan, because he is unemployed. Because he is unemployed he has no money, so he is frustrated. Society cannot find a place for him except as one of its wards and that is ultimately what he becomes. If he cannot find work he must fall back on the state. If he is fortunate enough to qualify for unemployment benefit at least he is able to maintain something of his dignity. Otherwise, all too often, he has to swallow his pride and go on welfare.

Does the Minister of Industry, Trade and Commerce (Mr. Pepin) know what this means? I do not think he does. I do not think anybody in this House really knows what it means. It is one of the real tragedies today that in this

[Mr. McGrath.]

blessed land of abundance we should deny the right to work to so many of our people. One has to be with them to come even close to understanding what it is all about. Oh yes, it is most appropriate that we should be talking about eliminating the middle or, more particularly, the low-income people from the tax rolls. We should be doing this now, not making provision for it to be done next year. It should be done right now as a crash program because this is essential if we are to make a dent in the unemployment figures and get the economy moving. I find it difficult to understand parts of the bill before the House.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member but the time allotted to him has expired unless he gets unanimous consent to continue. Does the House give unanimous consent to the hon. member to continue his remarks?

An hon. Member: Will his leader come back?

The Acting Speaker (Mr. Laniel): There cannot be any condition. I will ask the question again. Does the House give unanimous consent to the hon. member to continue his remarks?

Mr. Francis: With great pleasure.

Mr. McGrath: The clock will probably accomplish what some people would like to accomplish. The bill before the House is deceptive in that it does not accomplish what it proposes to do. More particularly, it does nothing to help overcome the critical situation we find in this country today as a consequence of the policies pursued by the government, and unless there is an immediate change in the philosophy of the government then the people of Canada are in for a dark, critical winter.

Mr. Gilbert: May I call it one o'clock, Mr. Speaker?
At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. John Gilbert (Broadview): Mr. Speaker, this tax measure, Bill C-259, is a sad ending to nine years of intensive and exhaustive study to build a tax framework in Canada which would bring about justice, equity and economic growth for all Canadians. The bill is a clear indication of the government's rejection of the Carter report and a cave-in by the government to the business community. It is striking to me that less than 10 per cent of Canadians can dominate the other 90 per cent through their wealth and power.

Back in 1962, when the Conservative government passed an order in council appointing Kenneth Carter to look into the tax framework of Canada, it gave him specific instructions that, among other questions, he should report upon the distribution of the burdens among taxpayers resulting from existing rates, exemptions, relief and allowances provided by the personal and corporation income taxes, and secondly, the effects of the tax system on employment, living standards, savings and investment,