

Income Tax Act

States have hit a snag. The situation has gradually grown worse, with open hostility shown in speeches to the Americans by cabinet ministers, and even by the Prime Minister, ranging as far as from Denver to Moscow.

This is hardly a good neighbour policy, Mr. Speaker. It is certainly very ineffective in helping to sell our products and in getting due compensation for them, with the give and take that must dominate in the marketplace. It is indeed sorrowful to contemplate, considering that the United States has been our best customer in many ways, taking between 60 per cent and 70 per cent of our exports and owning about 55 per cent of all industry operating in Canada. It is all right to say that we will find markets elsewhere, after admitting that this takes time. How are we going to compete with countries which produce goods of comparable value and workmanship but with a lower labour cost than we have in Canada? This is a serious problem which faces Canadians who must be able to sell their goods in the export markets of the world.

If the government is not going to lower taxes, then it should at least take the sales tax off building materials. There is no reason for it now that the government is subsidizing housing. The sales tax was taken off drugs. Surely adequate shelter is an accepted "must."

Let me deal for a moment with unemployment figures in the province of Ontario. That province had the largest increase in unemployment of any province in July and August. For young people aged 25 and under the unemployment rate for July and August, seasonally adjusted and readjusted, was the highest ever. In July and August 28,000 women dropped out of the labour force. The length of time that people are unemployed is getting longer and longer. In August 106,000 Canadians had been looking for a job for six months or longer.

The whole story of this government is rising unemployment and rising prices. When 500,000 Canadians are out of work for a year, this means a loss, in round figures, to our gross national product of well over \$3 billion. What country can afford that disaster? What does unemployment do to the fellow who really wants to work? It destroys him. This year in a large city in Canada I took a taxi when I was visiting the hospital there. The driver seemed to be a nice fellow and he unravelled an amazing story to me. Four years ago he had been working for \$35,000 a year and living in a very elite, suburban area. About a year later he lost his job because business was shrinking and his company laid him off. He was one of the younger fellows in the firm.

Then he got a job with another firm and was earning about \$25,000 a year. I should mention that he was a university graduate, and engineer. He held this second job until the company was amalgamated with another, and then he was out of work again. Finally, he took a job in a field removed from engineering at a salary of \$10,000 a year. In the meantime he had lost his home, having depended on his big salary to keep it. Six months later he was out of the \$10,000 a year job. He had a family of two children, and his wife was working too. Talking to that fellow one could note his sense of depression. I felt very sad when I got out of that taxi, so I gave him an extra tip. At first I thought driving a taxi must be a part-time job for him, but that was not the case. There is nothing wrong in being a taxi driver, but this fellow's deportment was

[Mr. Rynard.]

that of a man who had received a good education. He simply could not get work of the type to which he was accustomed, and so became a cab driver.

Now we have another example in the city of Toronto where the Toronto *Telegram*, one of the "big three" newspapers in that city, is being closed down. As a result, over 1,000 people will be looking for jobs and 10,000 more people will be affected. This will affect both the newsboy and the man who sells the papers. Then there are the people who drive transports to deliver the newspapers all over Ontario. The people operating newsstands and many other services are involved. There are maybe 10,000 more people affected. This is a calamity. Whether the unions or management were at fault in not being able to find a common denominator means nothing to the fellow who tomorrow loses his job—and I know a lot of them. A way out must be found. No group must be allowed to hurt others.

• (9:10 p.m.)

Things look very tough and I would say to the government that in their reforms something must be done about getting jobs—perhaps winter works programs. There should be consultation with the provincial premiers in this regard. My own province of Ontario, which is a key province, has experienced the worst unemployment ever. Something should be done to enlarge the scope of the Canada Assistance Act, to remove the 12 per cent sales tax on building materials, and so forth. Perhaps there could be better diplomacy when dealing with our trading partners.

The government should get the chip off its shoulders. Instead of making speeches which only irritate and annoy, the Minister of Finance should have been looking ahead and some months ago had the dollar pegged at a more satisfactory rate for trading. If he had used the velvet glove he might not have found himself in a floating market with competitors who can outsell us on world markets. Now we have to compete with countries taxed at half our rate of taxation.

This is a tremendous problem, Mr. Speaker. It is not easy to find solutions. However, the record of the government stands barefaced for the people to see, and it is one of mismanagement and mishandling of our affairs.

Mr. Len Marchand (Kamloops-Cariboo): I do not propose to take much of the time of the House, Mr. Speaker. At this stage of the debate I hope we can get past the amendment we are dealing with so that Bill C-259 can receive second reading and we can proceed with its clause by clause analysis as soon as possible.

This is a very large and complicated bill. I do not have much sympathy for the lamenting of hon. members on the other side of this House. However, it was ever thus. I suppose we need only look at the existing tax bill and much of the other legislation that we deal with in this House to realize that by necessity some of it is very complicated. Perhaps in order to come up with a bill which could be more readily understood by the public we would have to get rid of some of the experts who draft the legislation, though I do not think that would be too practical in this country. If I had my "druthers", however, I should like to see a change in the whole approach to