

children, but does not recognize the difference until the age of 16. Which minister is right? They cannot both be right. They cannot agree on that and they cannot agree either on where the magic line comes between those families which need additional help and which of those do not, on the one hand, and those which should not pay income tax and those who should, on the other. It is pretty clear that logically the group that needs help and the group that does not pay income tax should be the same, but that would be too simple for this government, so we have a Minister of National Health and Welfare telling us that any family with one child and an income of \$4,500 or less gets special aid. The same person, however, under the tax law proposed, will be paying income tax on something over \$1,000 of his income of \$4,500. So, the Minister of Finance is telling us that that fellow not only does not need aid but he can afford to pay taxes, whereas the Minister of National Health and Welfare thinks he needs help. The government giveth, the government taketh away. But both those ministers cannot be right, although certainly the thought crossed my mind that they could possibly both be wrong.

● (3:30 p.m.)

This government is not just confused, it seems to be unconscious.

Some hon. Members: Hear, hear!

Mr. Stanfield: Beyond that, Sir, we demand that the government do something effective and do something quickly to restore economic and social health to this country. We demand action to create a climate of economic confidence and to prevent the return of mass unemployment that threatens this coming winter. Tax reductions for the lowest income Canadians will help, but they are not enough. Under the present circumstances if we are to make any substantial progress in combating unemployment we must have reductions across the board in income tax rates. In addition to that, we must either have the complete elimination of or at least a very substantial reduction in the federal sales tax on building material.

Some hon. Members: Hear, hear!

Mr. Stanfield: I think this is obvious. It is all the more urgent since the Minister of Urban Affairs (Mr. Andras) has indicated to the press that his housing program will inevitably be hurt by the diversion of \$80 million to help the industries that may be hurt by President Nixon's export surtax, and also the minister fears that people who are trying to borrow money for homes are likely to encounter higher interest rates.

We should now be looking at other possibilities this winter, in conjunction with the provinces, such as the possibility of industry training and retraining support programs for men and women who are now employed to help them upgrade their skills. This, I suppose, is a long-term program, but it could start this winter and it would certainly increase in value over the next few years. We must, as I indicated a minute ago, look at the possibility of maintaining a proper rate of interest in this country. This would provide encouragement for the economy in general. It would help the Minister of Urban Affairs to maintain a housing program which would provide houses at a rea-

Income Tax Act

sonable cost, and of course it would also help us to withstand a further upward pressure on the Canadian dollar. In other words, it would help both our exports and our internal markets. We must also consider what we can do now in co-operation with all levels of government to get work for Canadians this winter.

Some hon. Members: Hear, hear!

Mr. Stanfield: The hour is late, but there is surely no justification for delaying matters any further. For a start, we must help the citizens of Canada, as well as the provinces, in financing their welfare programs. We have had warnings from the governments of both Ontario and Quebec. They face a time of intense pressure on their welfare systems and it is very clear that those two provinces will not be alone. But we have to go beyond welfare. Welfare is not enough. It is work that is needed. We must get started immediately. I do not care how much pooh-poohing there is across the way, we must get started immediately in conjunction with the provinces on an effective winter works program.

Some hon. Members: Hear, hear!

Mr. Stanfield: The government itself has set a precedent this summer in its Opportunities for Youth program which could well be described as a sort of summer works program. But there are worthwhile things that could be done this winter too, Sir, by this government and this Parliament. We owe something to the unemployed men and women of this country and the ones who will find themselves without jobs in the next few months. That is why I am demanding a winter works program. The government has already delayed too long. I am not looking for perfection; I realize that this is a palliative so far as this winter is concerned, but the government has let the situation become so serious that we have no other choice now.

Mr. Muir: They are callous and do not care.

Mr. Stanfield: Beyond these emergency measures, faced with the trend in the United States, we have to take a very urgent look at our export industry. I agree that our export trade has been hurt by the U.S. surtax. I support the measure brought forward, I support that principle. But I believe other urgent steps have to be taken. The legislation to which we have given second reading last week was, in my view, a hesitant and an inadequate first step which may or may not be effective, but our export trade is basic to the development of our whole economy, not only this year of course but every year, and the Americans have taught us a painful lesson with regard to President Nixon's surtax. They may very well be preparing us for an even more painful lesson in the long term with the export bonus proposals involved in the so-called DISC program. Let us take these lessons to heart and let us consider urgently what we can do for our export industry, what possibilities we have for aiding our export industry. Of course, the basic position is that we have to maintain or achieve a reasonable rate for the Canadian dollar, one that will enable our exporters to compete. But let us also consider what we can do, and indeed what we must do, to give tax encouragement to our export industries, particu-