

increasing at a faster rate. Incidentally, I have not heard so much crowing about last year's performance in the export market. It is a tough world we live in. All too often we see some little glimmer of light, a little wee candle somewhere on the horizon, and somebody suddenly blows it up into a great, powerful searchlight totally out of proportion to what is should be.

I hope hon. members will make their contributions to the debate today or during the committee stage. This bill, now embodying in legislative form a proposal which was discussed at great length back in October, at which time its deficiencies were well established, has now been before us for a long time and it would be anti-climactic to keep on arguing about it. Some people will find it of benefit. People who are non-taxable will not. I doubt very much whether the effect of the tax cuts will be of very great value to industry and the services. In total, the cuts are there, of course, but they become dispersed and, unfortunately, they cease on January 1, 1973.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the tax bill which is before us this afternoon is essential to the effectiveness of the measure we passed just before Christmas in relation to the same fiscal year. With the consistency for which the government is well noted, evidence is given of the same approach to economic planning both from the point of view of financial justice and from the point of view of monetary tax incentives intended to provide employment.

I wish to avoid further rhetoric and to deal, in terms of substance, with the assertions I have made in my comments up to this point. I shall be relatively brief, because I intend to speak again during the committee stage, at which time I shall be proposing an amendment.

• (1630)

The tax cut on personal income, will have the effect of reducing tax revenue to the government by about \$225 million. It is hard to imagine a more unjust way of distributing economic benefits to the committee than an across the board tax reduction of 3 per cent in the personal income tax field. I suppose that if a more unjust way could have been found the present government would have discovered it, so I think it is reasonable to conclude that this is the worst possible method the government could come up with.

For example, consider the effects of this tax cut on a married man with two children in the \$4,000 income category; in other words, someone living at the poverty level in Canada. It means that he will save \$2.19. A man earning \$5,000 a year, again with two dependent children, will be able to save a grand total of \$9.06. Spread over the course of a year this means that he will probably save enough to buy an ice cream cone every week. If a person were in the high income category of \$6,000 a year, with the same number of dependants he would save a grand total of \$16.59. This is what we get from a magnanimous government, a government led by the Prime Minister (Mr. Trudeau) who a couple of weeks ago in Victoriaville, Quebec, stated that we were moving to a new age of leisure and should not be too concerned about unemployment; that since a whole new ethic was emerging we should be more

concerned to establish other kinds of creative outlets for our people.

The fact is, of course, that some 20 per cent of the population are living at or below the poverty line in Canada; that for each job available in Canada there are roughly 17 people to pursue it. This kind of nonsense coming from the Prime Minister is something that is, to anyone with the remotest degree of sensitivity, at least displeasurable, if I may understate it somewhat. If our quaint Prime Minister wanted to do something to help people at that income level, those living at or below the poverty line, it seems to me that the tax cut measure before the House should have been changed substantially so as to provide, on the ground of equity, some real benefit for those in the low income category, forgetting entirely the provision of any tax benefit for upper income Canadians. The government should make sure that all the gains are made at the bottom end of the income ladder.

Keeping in mind that as a result of this bill the \$4,000 income earner with two dependants will save \$2.19, a man earning \$20,000 will save \$164.58. A man earning \$50,000 a year, the man who most likely will be a contributor to and supporter of the Liberal party of Canada, will save \$620.75.

Mr. Whelan: You mean, people like Pierre Berton? He supports your group and gets \$100,000 a year for doing nothing.

Mr. Broadbent: The hon. member for Windsor obviously has a profound contribution to make. Would he like to say a few words?

Mr. Deputy Speaker: Order, please. The hon. member would have to be in his own seat. The hon. member for Oshawa-Whitby has the floor.

Mr. Broadbent: If I may continue, Mr. Speaker, what about the poor individual who is eking out an existence on \$100,000 a year, a man again very dear to the heart of the Liberal government? He will save under this tax proposal \$1,515.39. He is the sort of man who attends \$100 a plate dinners given by the Liberal party. I am not being frivolous, but the fact is that under these tax proposals a man living at the poverty level will save \$2.19 whereas a man who is virtually in the millionaire category will save \$1,515.39.

It requires no economic genius to do the kind of statistical breakdown that I have done here. This is the kind of maldistribution of tax benefit that you invariably get when you have an across the board tax reduction, in this case of 3 per cent. Inevitably with a fixed deduction across the board the rich or upper income groups will be more advantageously affected than the poor, and this is just the kind of thing that we should not have at this time in Canada. So, I suggest that on the basis of equity this proposal is totally unacceptable. On the other hand, some of our friends opposite like to argue that you cannot simply consider equity or fairness in making a tax proposal; you also have to consider the effect on the economy in terms of the generation of employment, and so on. That is a very sensible point. However, when you consider the impact of this proposal on the economy, it seems to me that the same negative conclusion is also inevitable.