

Income Tax Act

have only 20 minutes. I have referred to it on other occasions.

When we talk about our economy, we should have had brought in by the government some policy of control that would deal with what I call the most serious difficulty this country has encountered since 1929. Right now our relationship with the United States has deteriorated to such a level that one has to ask oneself how this deterioration set in. Was it partly because of the tax bill? Was it partly because of the white paper? Was it partly because of the statement in reference to NATO? We have never negotiated with our friends. This Prime Minister said we will reduce our forces in NATO without any discussion with the United States. He has also taken a hard line in respect of NORAD. That is why our position has deteriorated.

• (5:30 p.m.)

Mr. Mahoney: Tell us what Diefenbaker said to Kennedy.

Mr. Woolliams: This Prime Minister went to the U.S.S.R. and said, and I quote from a transcript of a press conference given in Moscow on May 20, 1971:

As is well known, Canada is not only a good friend and neighbour of the United States of America, but also its ally in NATO and NORAD, and Canada has increasingly found it important to diversify its channels of communication because of the overpowering presence of the United States of America—

The Prime Minister admits that we are friends of the United States in respect of NATO and NORAD and that we are in a joint partnership in respect of our financial resources, but he goes on to admit that we have never negotiated at any time—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Continue.

The Deputy Chairman: Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Mr. Woolliams: Mr. Chairman, I will be as brief as possible. The transcript of the Prime Minister's press conference reads:

—Canada has increasingly found it important to diversify its channels of communication because of the overpowering presence of the United States of America and that is reflected in a growing consciousness amongst Canadians of the danger to our national identity from a cultural, economic and perhaps even military point of view.

I could quote from other speeches but I will refrain from doing so at this time because I can speak again in 20 minutes. I appreciate the graciousness of hon. members of the committee in allowing me to conclude this point. We have insulted the United States as far as NATO and NORAD are concerned. Our Prime Minister was in a communist country and talked about military importance so far as it affected Canada and the United States. We have insulted the United States in every way. This is the only Prime Minister in my lifetime who has not been able to go to the United States and negotiate with the President. He refuses to write letters or call him on the tele-

[Mr. Woolliams.]

phone. And now we are dealing with the serious matter of taxation at a time when our economy is being disrupted.

Let me make a prediction before I sit down. When this winter is over—

Mr. Mahoney: Tell us what Diefenbaker said.

Mr. Woolliams: I know this is getting to the hon. member for Calgary South, but these are the things he will have to defend on a platform when he goes back to Calgary.

This is the only Prime Minister who has never been able to negotiate with the President of the United States. We are now faced with a 10 per cent surcharge against industry. This has a tremendous effect on the industrial might of the province of Ontario. If this policy is continued by the government there will be one million people unemployed in our country this winter.

An hon. Member: That's what you wish and hope.

Mr. Woolliams: The Liberals say that is what I wish and hope, but if they listened to what I have said in the past 20 minutes they would realize that this is the time to bring in a policy to do something for the people of Canada and prevent what I would call the danger of a great depression.

[Translation]

Mr. Gérard Laprise: Mr. Chairman, before we further pursue the debate, I should, in turn, like to say a few words concerning one portion of the lengthy bill we will be debating over the next months. I expressly say "the next months" since I expect the study of this bill, almost four inches thick, as well as the bundle of amendments that go with it, to take a very long time.

The very fact that Bill C-259 was accompanied by several pages of errata led me to presume an intention to have the legislation adopted in haste.

It led me to believe that I was not alone in entertaining the view that the government study was far from complete, and of this we had proof today when the Minister of Finance (Mr. Benson) himself brought forward his bundle of amendments to alter most of the clauses of the bill.

Mr. Chairman, when the minister made public Bill C-259, the latter was far from being ready for study and from having the assent of the government and probably of the other members of the Cabinet, since when we are about to examine this bill, clause by clause, the government itself introduces amendments.

Every time we have had to consider bills amending tax laws or budgets, I have been fearful. I fear such bills because amendments to the Income Tax Act have always been detrimental to Canadian taxpayers. They have always further deprived the worker, the farmer, the labourer, in short, the one most in need of his income.

Regardless of the level of taxation, it is always the small wage earner and the consumer who bear the brunt of it.

Mr. Béchard: That is why a million workers will not pay any income tax.

Mr. Laprise: Mr. Chairman, the statement made by the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) is altogether false. The hon. member for Laval