

*Alleged Non-Institution of Just Society*

The 11 per cent sales tax on building materials has kept a great number of people from becoming homeowners, because it has increased by several hundreds of dollars the cost of a house. Moreover the 11 per cent tax on building materials has indirectly contributed to the inflationary pressures and has aggravated the unemployment situation in Canada. Unsatisfied with the levy of an 11 per cent tax on building materials, the government has imposed special restrictive measures such as the delaying of allocations on capital cost for commercial construction in the provinces of Ontario, Alberta and British Columbia.

By imposing restrictions and allowing the variation in interest rates, the federal government has created in the construction field a very serious situation which has practically wiped out in one stroke the beneficial effect of all the social programs adopted in the last thirty years. Our monetary nabobs have consciously and deliberately restricted the monetary mass to the point where the interest rates are prohibitive for most people who want to acquire property. This has the direct effect of decreasing the number of housing starts and is not at all reassuring for the eventual buyer.

I will therefore ask once again that the 11 per cent tax on building materials be repealed. According to economist Grant L. Reuber, head of the Economics Department at Western University in London, the government should reduce personal income tax as well as the federal sales tax, in order to stimulate productivity and check inflation.

In a verbal and written submission presented jointly with economist Ronald G. Bodin, Mr. Reuber rebutted the arguments of the Prime Minister, of the Minister of Finance (Mr. Benson) and of the President of the Prices and Incomes Commission, Mr. John Young, against tax reductions.

The government should therefore follow a moderately expansionist fiscal policy and favour expenses which are likely to stimulate the demand for goods and services, in order to create more employment.

This could be done through reductions in personal income tax and federal sales taxes on manufactured products.

The Canadian Welfare Council believes that a program should be carried out as soon as possible to provide an adequate guaranteed annual income, a program which it considers the social right of every Canadian in its statement "Social Policies for Canada" published on January 29, 1969. Here is an excerpt:

If the just society will represent something other than a vain and frail abstraction—

—points out Mr. Reuben C. Baetz, director general of the Council—

—it must rest on certain basic and intangible rights, including social as well as civil and political rights. Among the social rights, none is as important as the right to an adequate income. We must define right now this socio-economic objective in our system of values. We could later on decide how to administer it. If need be, it could be set up by stages.

[Mr. Rodrigue.]

Every Canadian is entitled to a sufficient income in order to enjoy an adequate of physical and social welfare.

The means test necessary to administer selective social assistance programs stigmatizes the recipients and is too costly and cumbersome when it is applied to a great many people.

In an economy where machines and computers have replaced man's labour, we will have to accept sooner or later the guaranteed annual income. To oppose it any longer could jeopardize our whole system.

At the very mention of guaranteed annual income, there are some economists and bureaucrats who hastily analyse existing programs and prepare new ones.

Selective assistance programs instituted in recent years, such as family allowances, old age pensions, public assistance and unemployment insurance, are now outmoded and inadequate. The more one tries to improve them, the worse the situation gets.

These programs that originated under pressures exerted by various classes of society were useful when first implemented but they are outmoded today.

We of the Social Credit party have for many years been recommending and advocating implementation of the guaranteed annual income. We do not, however, agree that it should be established at the expense of everyone's freedom, as indicated by the Prime Minister on page 34 of the March 1954 issue of *Cité libre*, from which I shall quote:

The most natural solution would be levelling incomes of different social classes so that the poor might have more to spend and the rich less to save.

That method would not solve the problem. In fact, I believe the Premier of Saskatchewan recently stated that economic recession in his province was due to surplus production. For the past ten years, we Créditistes have been sounding this alarm within this House.

The Social Credit Party of Canada proposes some means to distribute that surplus production which represents for our country an asset amounting to the real credit of Canada.

Therefore I propose that a dividend be paid to every Canadian and that we adopt the compensated discount or, to call in a different way, the negative sales tax.

In industry, the dividend is that part of profits which is distributed to the shareholders according to the prosperity of the enterprise and to the number of the shares.

The social dividend is the part of the rich Canadian production which should be distributed to all Canadians and which the Premier of Saskatchewan calls surplus production.

However the government proposes other methods which will increase red tape and all sorts of studies without taking in account the needs of the families.

We maintain that every Canadian citizen is entitled to his share of the common productive factors. The advocates of the so-called liberal economy as well as the