

*Income Tax*

I believe it was Herbert Hoover in 1930 and 1931 who told the critics after the stock market crash that they were crying doom and gloom, that prosperity was just around the corner, that they had to show restraint, tighten their belts and take less. The Prime Minister (Mr. Trudeau) has been telling us that they are not only taking less, but they have got less. It seems to me that the economic managers of this country, in the private sector but particularly in the federal government, have learned nothing during the last 45 years. They still mouth the same kind of talk and propose the same kind of measures which got us into much of the difficulties in other years of depression and recession, measures which have not succeeded in the past.

The way to make Canada work is to put Canadians to work. Surely the measures contained in Bill C-11 in large part will not only not do that, but in many instances will be counterproductive. They will not lead to any significant or necessary reduction in unemployment. They will not lead to any significant increase in the well-being of Canadians generally, particularly Canadians of low and middle income.

Since last March the government has proposed tax benefits of various kinds in excess of \$1,200 million to provide incentives to the corporate sector to increase their capacity, to retool, to increase their production and to create jobs and put people to work. Well, Mr. Speaker, although manufacturing concerns have known about this tax incentive for many months now, statistics tell us that in the first nine months of this year, as compared to last year, there has actually been a decrease in the number of jobs in the manufacturing sector, from an average of 1,945,000 last year to 1,915,000 as at the middle of October. There has been an actual loss of 30,000 jobs in the manufacturing sector alone, and this in spite of the knowledge of the manufacturing sector that \$1,245 million in the form of tax credits designed to put Canadians to work was available.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** And \$2 billion was given in the previous budget.

**Mr. Benjamin:** Yes, as my colleague reminds me, prior to that, \$2 billion was given in the budget of the previous minister of finance. But what has happened, Mr. Speaker? There is even more unemployment. This measure did not work and it is not working now. Such a method has been tried before in other decades when we had depressions and recessions. It was the wealthy who received the breaks; it was the poor and unemployed who paid.

We have been proposing for many months now, and we will continue to do so, that it makes more sense to make sure that there are more dollars in the pockets of the majority of Canadians at the low and middle income level. They are the ones with needs. They will spend those dollars in consuming production, much of it Canadian production. Surely that not only makes more sense but is more civilized and more fair. Providing extra savings and benefits for the wealthy, for corporations who do not need them, means that they will put them away into reserves or into savings. The impact on increased consumption will be minimal.

[Mr. Benjamin.]

We believe there are many things which this parliament could be doing to deal with the economic situation, which members on all sides agree is bad. I should like to refer to some of the things which we could and should be doing, rather than what we are doing in this bill. It seems to me that in the budget and the budget bills, the government—and, I am sad to say, some spokesmen of the official opposition today—keep remembering dollars and forgetting people. They place dollars and the welfare of the privileged ahead of the people.

Let me illustrate, Mr. Speaker. I am sure that most, if not all, of us attended Remembrance Day services just a few days ago. A few days prior to that we had the government's announcement that it was not about to meet the goal of increasing disability pensions for war veterans, which I am told would cost in the neighbourhood of \$30 million. The unanimous recommendation of a parliamentary committee and of another group looking into the whole area of war veterans' pensions and disability pensions and allowances set, as a goal, certain pensions for five categories of employees in the public service. With the government's refusal to put that into place, a 100 per cent disabled veteran has now fallen \$536 a year behind. The government says that in view of the economic situation and this time of restraint it could not see fit to give \$30 million to our disabled veterans, yet it can give \$1,200 million to corporations. Yet they want us to vote for this bill! If one of the cabinet ministers will move an amendment to the bill which would restore \$30 million of taxation on corporations and high incomes, and allow the Minister of Veterans Affairs to announce at the same time an increase in veterans' disability pensions, I would be more inclined to support this legislation, and I would be more inclined to say there is some humanity and decency here. The government is giving no increases in basic pensions for veterans to whom this nation owes a great debt and can never fully repay it. The government has forgotten these people!

● (1722)

I listened to the hon. member for St. John's West (Mr. Crosbie) complaining about a wealthy gentleman who is allegedly escaping millions of dollars in taxes, after being in Newfoundland for many years working for, with or under a Liberal government at a time when the hon. member for St. John's West was in the Liberal government. In any event, he complained about this gentleman being able to evade \$3 million or more in taxes. A veteran in Regina gave me permission to quote his letter. His wife wrote to me first in regard to the matter of pensions. I am referring to a Mr. and Mrs. Howard Brown, 8 Osler Avenue, Regina. The letter reads as follows:

Thought I'd write to you. I am the wife of a disabled war veteran. It was most disappointing to read and hear on radio and TV that the federal government did not have the extra money for the disabled veterans. My husband has been disabled for 34 years now, and after all that time I guess one does get sick at heart, when four days before they could raise the MPs salary. Please thank Mr. Stanley Knowles for his hard work for the veterans. Hope you're able to do something for us. Would appreciate hearing from you.

I have received another communication from Mr. Howard S. Brown, addressed to the Minister of National Revenue (Mr.