

who expect to find work. In an economic turndown, it is difficult, indeed, to find jobs for those people.

I notice the Minister of Regional Economic Expansion (Mr. Lessard) is in the chamber, I hope he will not sit on the laurels he has gained in signing the present agreements with the British Columbia government which have been more beneficial for development in the north than in the southeast. When there are developed mines that are doubtful of markets in the future, it does not make much sense to proceed immediately to develop additional mines in the north with all the infrastructure necessary to put them in place.

● (1542)

I would remind the minister that the southeast corner and the south of the province will need a great deal of the kind of infrastructure development that the Department of Regional Economic Expansion has undertaken in other places. Rail facilities and roads were built there many years ago, but it is a long time since they have been upgraded. The main rail line in the south was more or less abandoned years ago. I hope negotiations will continue between the government and the province of British Columbia. All members who come from there know that for years just the tiniest trickle came out of the end of the spout, over the Rockies.

Even if the present agreement is accepted and paid up in full every year, it will in no way begin to pay for those long years of neglect, for changes in the department and the kind of development of roads to resources infrastructure, for new towns and that sort of thing. There is a demand, and there will be a demand in the southeast Kootenay corner for at least two new towns even as the existing ones still find themselves scrambling to provide for the influx of population that has followed the development thus far. There is still an important job to be done in terms of reserves and development and adding jobs other than those supplied by taking up the raw resources and exporting them. There is, as well, the question of providing the transportation necessary to keep or expand that flow. Much is still to be done in that area.

I should like to say something about the controls program which has been particularly vexatious in British Columbia. Two groups of people feel particularly aggrieved. Certainly, British Columbia teachers were bound by legally binding arbitration and the laws of British Columbia to accept agreements from arbitration boards legally set up. The agreements were rolled back following the decision of the provincial government to place them under the purview of the Anti-Inflation Board. That could only be done by retroactive legislation, which in my opinion is always reprehensible. To me, the wisest course would have been for the Anti-Inflation Board, when confronted with the situation, to say there was nothing they could do and that the agreements were legally binding because they were made before the jurisdiction of the Anti-Inflation Board had been tested in the Supreme Court.

Of course, it is always easier to roll back wages and salaries than to do anything about prices, and the board could not resist the temptation. Now the teachers who felt they would

### *Income Tax*

have something closer to justice this year are concerned by the 6 per cent raise limit presented by the minister in the speech he made in this House recently. There is, as well, a 2 per cent plus or minus experience adjustment factor which I suspect will relate to the negotiations in the southeast Kootenay area between coal miners and companies. Here, again, I think it is incumbent upon the Minister of Finance and the government to explain very clearly, if that is the situation, that it is they who have broken their word. They changed the rules in the game, and they must accept responsibility for changing those rules as they affect the teachers and may affect the miners. I do not think that question has been sorted out yet, but I had a feeling of apprehension as I read the minister's budget speech. It holds out the possibility of only 4 per cent to people who believed they had been promised 6 per cent in the third year.

In closing, Mr. Speaker, I should like to refer briefly to a speech made in Cranbrook, British Columbia, recently by Mr. Dennis F. Culver, president of the Institute of Chartered Accountants of British Columbia. Referring to this government and its taxation policies, he said:

The ineffectiveness of the federal government in carrying through, logically and methodically, its fiscal proposals has created widespread uncertainty in business, hindered the mobility of capital, and contributed to the general lacklustre performance of the national economy.

A good many people would like to think all of that has been caused by the debate on national unity, yet here is someone, who should be in a position to know, who finds that the root cause is something more than concern, real as it is, about national unity. A report of this speech in the *Daily Townsman*, a newspaper of the east Kootenay area, reads in part as follows:

Culver said that over the last five years federal government budget proposals—which affect every man, woman and child in this country—have been delayed, killed, amended, reintroduced or disposed of in some way other than what the federal finance minister had originally proposed.

There have been so many changes to the Income Tax Act that the original concept of tax reform—introduced in 1971—has been abandoned.

For example, Culver said, the concept of integration of corporate and personal income was laid down as a cornerstone of tax reform. Since then, many different tax rates and tax abatements applicable to both individuals and corporations have been implemented.

He is concerned about the confusion that this sort of thing causes. He has some good words to say about the bill before us, however. The newspaper report continues:

The 1977 budget, brought down in the House of Commons on March 31, lapsed with the end of the session. It contained major changes to facilitate corporate reorganizations and ease taxes on corporate business income.

I should like to point out that the bill before us is an aberration on the part of this government. It is not the course upon which the Liberal government has embarked over the years. It is a backing, filling and shifting that has been forced on it by the realization it has brought this country to the brink of economic disaster. Some sort of remedial effort must be made immediately. We have this rather half-hearted attempt to do something about a situation that is virtually intolerable.

I am sure that as well as this parliament going down in history as the first to be televised, it will go down in history as the last of the parliaments led by this Prime Minister who has