

The Budget—Mr. Marshall

thus allowing provinces to enter into a guaranteed income plan. This federal proposal to amend the CAP in order to permit provincial guaranteed schemes would increase regional disparities and penalize the poorer provinces which cannot afford to raise 50 per cent of the total cost of such a program. Already we have seen that range in provincial assistance under the CAP is from \$2,256 to \$4,020. The federal proposal will do nothing to close this gap. More likely, the gap will increase as the more well-to-do provinces forge ahead with guaranteed income schemes while the poorer ones fall even further behind.

Provincial differences in terms of dollar grants are matched by differences in the form of assistance available. This raises the question of portability. The federal government has stated in its working paper "Income Security and Social Services," at pages 71 and 72, that because Canadians are now so mobile and move so frequently from one province to another "it is important to the people involved that their income security benefits be portable", and "it is important for this reason, too, that income security measures be reasonably uniform across the country." Individual provincial guaranteed income schemes negate this statement of federal philosophy. Portability is a definite problem arising from the government's new proposal.

As a result of these provincial differences in income support payments and programs there is a very serious problem that would arise if the federal government proceeded to implement this proposed amendment. The problem is how national standards could be maintained in the future if each of the provinces were to embark upon a different guaranteed income scheme or, more importantly, refuse to take up the federal offer to inaugurate its own guaranteed annual income.

Obviously, the implementation of such an amendment to the Canada Assistance Plan would only irritate the present situation in which there are wide variations in the provincial standards of social welfare already instituted under the Canada Assistance Plan. In its white paper on income security the Liberal government rejected a guaranteed annual income on the basis that it is too expensive and that Canadians cannot afford it at present. The government now has contradicted itself by offering to share with the provinces in instituting such a scheme.

It would seem that this federal proposal must have evolved quickly, and only recently, for it is inconsistent with the Prime Minister's statements in a television program last month, as reported in the *Montreal Star* of June 8. At that time the Prime Minister (Mr. Trudeau) said of Quebec social affairs minister Castonguay's scheme:

If he thinks that he is going to pay a guaranteed annual income in Quebec with money from the taxpayer of Ontario or of Alberta, he is not going to do it with this government.

Altogether, then, the Liberal government's recent actions involving the Canada Assistance Plan are inconsistent and unlikely to do anything more than irritate present problems in the operations of this income

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support measure. These problems should be resolved satisfactorily before any new major program, such as a guaranteed annual income, is incorporated into the structure of the Canada Assistance Plan.

There is no excuse for the Liberal government to produce such half-baked and ill-planned schemes to eliminate poverty. Other countries are forging ahead with their welfare programs while Canada is standing still. Only last week the House of Representatives in the United States approved a sweeping revision of the welfare system by bringing most of it under federal control and by establishing for the first time a national income for poor families. There is no excuse for the Canadian government to continue bungling in this field.

It is obvious, therefore, from all the facts I have presented that the efforts of the present Liberal government in the battle against poverty are atrociously inadequate and could never be considered as an antidote to poverty. Thus, when the Finance Minister faced the task of preparing a budget and tax reform he should have taken the opportunity of embarking upon a real and effective anti-poverty program, for none of his cabinet colleagues have. In conclusion, Mr. Speaker, I would like to challenge the Liberal government—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. J. G. Lind (Middlesex): Mr. Speaker, it is a pleasure to speak a few words on behalf of the constituents of Middlesex. The majority of people in our area are relieved because this budget has provided tax relief for married breadwinners straight through the middle-income range. The Minister of Finance (Mr. Benson) extended tax benefits to working mothers, senior citizens and the infirmed. In giving these concessions he also introduced a capital gains tax the rates of which would roughly parallel the capital gains tax in the United States. In order to offset this new tax the budget abolished gift and estate taxes. There is a general feeling of good will flowing throughout Canada. I should like to quote as follows from Canadian Business Service:

Basically the budget measures are expansionary and the proposed tax reforms pragmatic. The capital gains tax will be an unwelcome intrusion into our daily existence but it is now a fact of life for all other highly industrialized nations. To console ourselves it is always useful to remember that the U.S. has been able to live with, and even prosper under, such a tax—

• (5:20 p.m.)

The measures are clearly designed to inspire confidence in both the private sector of the economy and the reluctant consumer. It removes the uncertainty which has pervaded business and investment planning during the past year and a half.

This confidence in the Canadian people will grow since business at least knows the rules of the game. From July 1, 1971, the 3 per cent surtax on personal and corporate income will be eliminated. This, along with other changes in the tax structure, should help stimulate the economy.

A large percentage of the people in the constituency of Middlesex are farmers, and our agricultural economy