

Mr. Rae: I am sure you will use the same standard for all members, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Order, please. I do not know whether the hon. member is questioning whether or not the Chair applies the same standards to all hon. members, but that certainly is not a comment that is appreciated by any occupant of this chair. In the meantime, the rule stands for all hon. members, and I would appreciate it if the hon. member would observe it.

Some hon. Members: Hear, hear!

Mr. Rae: When he was the hon. member for Windsor West and finance critic of the Liberal party, the Minister of Industry, Trade and Commerce (Mr. Gray)—and I happened to be on the same television program—promised that he would resign if interest rates continued to rise, which they have done. They went down, and now they are going up again. However, that is not the principal point I want to make. The point I want to make is that there is a commitment and a consensus that unemployment will remain high. There is a consensus that inflation will remain high, and an examination of the budgets of the present Minister of Finance and the previous minister of finance, the hon. member for St. John's West, will indicate that that consensus exists and will continue to exist.

We can talk about a co-conspiracy. It is against that consensus that we in this party are speaking, and it is about the fact of unemployment and about the difficulties and the human cost of unemployment that we have to speak. I am constantly amazed that budgets can refer to unemployment statistics, but budgets can never mention the cost in human terms of being unemployed. Yet that is as much a reality as the statistics mentioned in the tables which are distributed with such glee and fervour by the Minister of Finance and his associates. We would have looked, for example, for a budget which recognized that because of the rates of inflation and unemployment there have been dramatic changes in our society.

● (1710)

There has been, for example, a dramatic loss in wages right across the country, with only two provinces being exceptions, a loss of wages of \$200 on an average in the province of Ontario and \$450 in the province of Newfoundland, nearly \$1,200 a year. We have to deal with the fact that this very budget, rather than attempting to reverse the direction, attempting to establish a cost of living tax credit which would provide for advantages, for credits, and for income where income is needed most, the most progressive form of indexation that can be devised, the minister has continued with the old system of indexation which will guarantee that the average wage earner will fall further and further behind the cost of living.

We have to recognize that in this economy in the last year there have been 1,000 lay-offs a day. Every working day, 1,000 people are laid off right across Canada. One has to laugh rather than cry when one reads the response of the minister to this kind of situation. On page 13 of the budget he refers to the pension system which he describes, not as a disgrace or as

tragedy for workers who have been laid off and left without pensions, not as something that affects the very justice of our system when workers in their fifties are laid off and are not able to find jobs, but as "defective in many ways". He describes the present pension system as "uneven". But then he has a final criticism. He says that not only is it uneven, it also hinders labour mobility. What about labour security, Mr. Speaker? What about the fundamental principle of economic rights, the rights in the constitution? What about the fundamental principle that, as well as being mobile, people also want to be secure? People also want the assurance, not that they have to move from Newfoundland, from Cape Breton or even from Toronto to go to Alberta in order to find a job, but that their government will be concerned to see that they get a job in the communities where they want to raise their families. That is the principle which is at stake when the minister talks about pensions and refers to the fact that there is no labour mobility.

The budget is a disappointment because it reads almost as if the minister had decided not to take so many critical decisions. For example, one reads the paragraph on the country's tax system and one wonders whether this is a statement by the Minister of Finance or a statement by a professor of economic theory talking about what kind of a budget it might be a good idea to bring in one day. This is what he has to say on page 15 of the budget. He observes that we have created a mammoth system, a grotesque system of tax expenditures, with tax expenditures now worth well over last year's figure of \$32 billion. The minister says:

Tax incentives tend to pyramid with the result that a number of profitable corporations or wealthy individuals pay little or no tax.

The fact is that in 1978 there were 96 Canadians, and right now we know we have well over 100 Canadians, making over \$200,000 a year who pay not a penny in tax, and the minister says this is what tends to happen. He tells us that other countries have responded by introducing minimum rates. He says:

While this approach may be an answer to the problem, perhaps a fundamentally different one would be preferable.

Is the minister going to tell us? I thought his job as Minister of Finance was to respond to the family making \$15,000 a year which sees the inequity, which sees a stratum of people being subsidized by average taxpayers so they can spend their winters in Florida and their summers wherever they please. That is the system which the Minister of Finance is perpetrating and defending. He says:

One questions whether the economy might not be better served by a tax system with lower rates—

He says "one questions". What is this, an academic seminar? I would have thought the minister would have said not that "one questions" but that this is an abuse which has grown, that they recognize their mistakes, they see they were at fault and they are prepared now to do something about it. But that is not their response. Their response is that they question whether it might not be better for the economy. There is not a mention of social justice, not a mention of the disease of envy that is created in a society where you have such