

rules. That having been said, I think we should at this point call orders of the day.

Mr. Knowles (Winnipeg North Centre): And a happy weekend to you, Sir.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT (No. 2)

The House resumed, from Wednesday, June 13, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-192, to amend the Income Tax Act (No. 2), be read the second time and referred to Committee of the Whole.

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, as the House will recall, I had been speaking on Bill C-192 last Wednesday and called it six o'clock.

Mr. Knowles (Winnipeg North Centre): That was a record speech.

Mr. Stevens: My hon. friend says that was a record speech. In the time intervening between last Wednesday and today, the hon. member's party and the government have had the opportunity to express their version of their concern over the sad state of the Canadian economy, with particular reference to the inflationary spiral. As we in this House know, that party and its colleagues on the government side chose again to support the Trudeau government.

It is important to remember that Bill C-192 represents only one aspect of this government's economic approach to the financial problems besetting our country today. Perhaps what bothers us most in the Progressive Conservative Party is that the Trudeau government has no industrial strategy for the country. I know the Minister of Industry, Trade and Commerce (Mr. Gillespie) does not like the term "industrial strategy", preferring "industrial policy". At any rate, the government has put forward no industrial strategy or policy for the country.

Instead of dealing simply with percentages and billion dollar terms, I thought it might be helpful if I might relate to members of this House what harm the ineptitude of the Trudeau-Turner government is causing the average wage earner in Canada.

The Acting Speaker (Mr. Laniel): Order, please. Although I hesitate, I think I should warn the hon. member about the well known Standing Order which prevents hon. members from referring to hon. members by name. I do not think we can allow the hon. member to use indirect methods for bypassing this rule which is well known to hon. members. I hope that, by using his imagination, the hon. member can do what he seeks to do without naming hon. members of this House.

Mr. Stevens: Yes, Mr. Speaker. I am sure hon. members know what I am attempting to convey. To be specific, the Minister of Finance (Mr. Turner), by his address yester-

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day on this subject, showed that in some ways he has already made the transition from the government benches to the opposition. If you followed his speech you would find that, instead of telling the members of this House—

Mr. Turner (Ottawa-Carleton): Obviously, the hon. member did not follow the speech.

Mr. Stevens:—why they should have confidence in the government and its policies, he spent three quarters of his time ridiculing the positions and propositions put forth by my party. For example, he pointed out, and took some credit for this, that wage rates in the first quarter of 1973 rose about 7.5 per cent. I take it he obtained that figure from a recent Department of Labour press release which said that, although the increase in the first quarter was 7.5 per cent, the figure for the comparable 1972 quarter, the last quarter, was 6.6 per cent.

Let us consider the Minister of Finance's more optimistic figure, 7.5 per cent. While considering that, let us also consider the degree of inflation that took place in this country in that same quarter. Let me refer the minister to a publication prepared by the Federal Reserve Bank of St. Louis, which compares various economic indicators in ten industrial countries, including Canada. That publication says that in the first quarter of 1973 the rate of inflation in Canada was 7.7 per cent. So, why does the Minister of Finance feel that it is creditable to show that wage rates in Canada in the first quarter went up by 7.5 per cent? As I say, inflation went up by 7.7 per cent. It does not take too much mathematical ability to calculate that if the wage of the average Canadian, who earns approximately \$8,000, is increased by 7.5 per cent, or \$600 approximately, in 1973, his earnings would be increased to the level of \$8,600. If we then apply the deflator to that person's income to allow for inflation we will find that, in terms of actual purchasing power, the average wage earner in Canada, in 1973, will have \$20 less to spend than he had in 1972. Through their mishandling of the economy and by allowing inflation to assume today's chronic proportions the master minds of the government have actually caused the average wage earner to lose \$20 per year in buying power. But that is only part of the story.

Let us look at what the government has done about income tax, and personal income tax in particular. In the last five years, personal income taxes in this country have gone up by 117 per cent. They have risen from \$3.3 billion to \$7.2 billion. What does this mean for the average wage earner in Canada in human terms? By the end of 1973, the average person, whose spending power during the year will be decreased by \$20, will have to pay between \$120 and possibly \$180 in additional, further taxes before the year ends. So, if you add that amount of taxation to the \$20 lost, you will find that the average wage earner in Canada, because of the ineptitude of the Minister of Finance and the government generally, will lose between \$140 and \$200 in true buying power.

If we look at the United States, and the Minister of Finance liked to compare this country with that country in certain figures he gave yesterday, we will find that in the 20 months since that country invoked its economic policy, which includes the period of wage and price controls of 1971, average disposable income, after inflation has