

*Alleged Non-Institution of Just Society***GOVERNMENT ORDERS****BUSINESS OF SUPPLY****ALLOTTED DAY S.O. 58—FAILURE OF GOVERNMENT TO ESTABLISH JUST SOCIETY**

The House resumed consideration of the motion of Mr. Lambert (Bellechasse):

That this House criticizes the government for having neglected to institute the just society in Canada, as was promised, and which should have been a reality for a long time; by refusing to increase the basic income tax exemption for individuals, by refusing to repeal the 11 per cent tax on building materials and by failing to institute a guaranteed annual income scheme.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I travel a good deal in my vast northwestern Ontario constituency, comprising some 115,000 square miles, and the constituents whom I meet and have the honour to represent are in general hardworking and uncomplaining people. When it comes to paying taxes, they take a "grin-and-bear-it" attitude, as do most Canadians.

When the government announced its austerity program in 1969, my constituents accepted this policy with the realization that the needs of our region, which are many and varied, would have to fit into a schedule of priorities. They told me that I would probably have to work a little harder in preparing, for example, representations to the Department of Regional Economic Expansion for industrial incentive grants, or to the Department of Transport for improving and upgrading existing airstrips.

My constituents have watched their hard-earned tax dollars take flight to Ottawa, but they are stoical about it. They recognize that it costs huge sums of money to keep a nation together, to maintain law and order, to have peace and security and, above all, to provide essential services and opportunities for our citizens.

More recently, this government has adopted an expansionary fiscal policy designed to spur the economy out of its present lethargy. A projected \$250 million surplus has turned into a budgetary deficit of \$320 million. Some weird and wonderful spending programs have been introduced which leave one wondering, in fact, whether money does grow on trees in some subterranean garden deep within the edifice of the Bank of Canada.

● (5:20 p.m.)

Despite this new, free-spending splurge, the forecasted acceleration of our economy seems to have little steam behind it. It seems to me, Mr. Speaker, that whenever governments embark upon an expansionary fiscal policy they should let the taxpayers in on some of the fun and not confine the pleasure to those who operate within the bureaucratic squanderland. The time has come,—in fact it seems to me it is long overdue,—for the Minister of Finance (Mr. Benson) to announce some healthy cuts in corporate and personal income taxes. Simply because government spending has become so heavy is no reason not to act. A reduction in both corporate and personal

[Mr. Deputy Speaker.]

income taxes would help generate a rise in consumer demand, allow for industrial expansion, create many badly needed new jobs and promote more competitive pricing in our international selling.

Many of our exporters need a measure of relief in view of what has happened since the unpegging of the Canadian dollar. I believe the unpegging was wise and necessary; but when important industries such as the pulp and paper industry are hurt, when workers are laid off, and when pollution abatement programs must be postponed, other methods are needed to reduce the undesirable effects which have been produced. A tax cut would certainly help to do that.

It is quite true that lower taxes would reduce government revenue and some spending would have to be curtailed. But how many places are there within the vast governmental machine, where savings could be made? Just for a moment I would like to consider the view of a typical taxpayer in my constituency in relation to one small governmental expenditure which was recently announced. A communiqué from the Secretary of State's office informs us that under the Opportunities for Youth program, \$1,220 will be given to a project called "Spaghetti Banquet"—\$1,220 to assist the production of an animated film, a lighthearted, three-minute look at spaghetti.

I want to be fair and reasonable, Mr. Speaker. Perhaps this short film will become an international classic. Perhaps it will give untold delight to generations of children. Perhaps it is narrow-minded and mean of me to refer specifically to this one project where the grant is quite small. Perhaps instead I should have mentioned the \$23,500 project to de-mystify the dance, or some other project. But the figure \$1,220 jumped out at me because this represents approximately the income tax paid by a hard-rock miner or a pulp and paper worker in the district of Thunder Bay.

Such a worker may want to add a bedroom to his house. He may want to help his son or daughter through university. He would like to take a short trip with his wife this summer. Instead, he must postpone the needed addition to his home because interest rates are still high and therefore he decides not to borrow. Further, the 11 per cent sales tax on building materials helps to discourage him when he calls on the supplier to check prices. He advises his son that next year he will have to apply for a student loan and he tells his wife that there will be no motor trip to the east coast this year. He is a good citizen, this constituent; honest, hard working, devoted to his family. Can we blame him if he writes in anger to his Member of Parliament about the \$1,220 that is to be spent this year to produce an animated film on spaghetti?

This argument may be naïve in this age of big government, but it seems to me that every dollar received from the taxpayer must be accepted in trust. We have in existence some very large expenditure programs which raise the quality of life for all Canadians, and of course they must be maintained and in some cases redesigned to do a better job. There is no doubt in my mind that the