

*Income Tax Act*

**Mr. Rose:** I wonder if I could impose on your good nature to ask one more supplementary, Mr. Speaker. As Canadian agricultural marketing is constantly being threatened by dumped imports or foreign offers at distress prices, is the government preparing some protective legislation that can be applied instantly to protect Canadian producers of agricultural products?

**Mr. Pepin:** We have persistently protested this when done by other countries, so it is sometimes difficult for Canada to do the same thing. I will look more closely into the positive aspects of the matter.

## GOVERNMENT ORDERS

## INCOME TAX ACT

The House resumed, from Thursday, September 16, consideration of the motion of Mr. Gray (for Mr. Benson) that Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequent upon the amendments to that act, be read the second time and referred to the committee of the whole, and the amendment thereto of Mr. Lambert (Edmonton West) (p. 7763).

**Mr. James A. McGrath (St. John's East):** I should say at the outset, Mr. Speaker, that it had been my intention to move the adjournment of the debate because of the failure of the government to implement the provisions of the Temporary Wheat Reserves Act, as well as the attitude taken by the government during last night's emergency debate and the attitude expressed by the government in the House today through the Acting Prime Minister. However, since Your Honour has indicated that you still have under advisement the motion standing in the name of the hon. member for Peace River (Mr. Baldwin) with respect to the substance of the motion and the priority of the motion, I shall refrain from doing so at this time, notwithstanding the fact that I feel we should not be proceeding with the normal business of the House until this matter has been resolved.

**Some hon. Members:** Hear, hear!

**Mr. McGrath:** In opening my remarks yesterday, I discussed the bill before the House in the context of the present economic situation in the country, emphasized and underlined by the statistics released yesterday by Statistics Canada with respect to unemployment and the rising cost of living. I said then, Mr. Speaker, that the bill was being discussed in an air of fantasy because the bill will not act as one of the important economic catalysts that it should be in this very critical period of high unemployment, rising inflation and the failure of present government policies to cope with those two facts.

The present policies of the government have failed to cure inflation. This fact is compounded by the increasing rate in unemployment—record unemployment.

**Mr. Mahoney:** Record employment, too.

**Mr. McGrath:** Half a million Canadians were unemployed in the month of August.

**Mr. Mahoney:** But 8½ million employed.

**Mr. McGrath:** This might not be a serious matter for the hon. member for Calgary South (Mr. Mahoney), but I can tell the hon. parliamentary secretary that it is a very serious matter in other parts of Canada. We had half a million Canadians unemployed during the peak month of August. What can we expect in the months of January, February, March? One shudders to think of a million people in this country without jobs.

I realize that this matter might not be very important to hon. members opposite, Mr. Speaker, and I suggest that if they have no interest in it they should at least leave the House.

**An hon. Member:** They will.

**Mr. McGrath:** One need not be an economist to think of what a million Canadians out of work will mean in terms of lost production, increasing welfare and the general economic contraction which will inevitably result. By deliberately operating the economy at less than its potential, the government is creating a substantial loss to Canada of millions of dollars a week in output and the result is a high level of unemployment.

Even yet, the full effect of the Nixon policies has to be felt. I am now talking about unemployment and inflation in this country prior to the Nixon 10 per cent import surcharge levelled on all imports by the United States government. And the unemployment rate continues to rise. Not only is it continuing to rise, but unfortunately it will escalate and worsen as a consequence of the Nixon policies.

It just does not make sense, Mr. Speaker, that we should be giving priority to a tax bill which does nothing to promote and improve the economy; which does nothing to create jobs for Canadians, which is the main issue and should be the main issue in this country today. The government must, as a priority, take urgent and immediate steps to prepare for the critically high winter unemployment which we know is coming. Even the Prime Minister (Mr. Trudeau) is now prepared to concede that fact.

Rather than occupying ourselves at the present time with a tax bill which deceptively presents itself as tax reform, the government should be moving ahead bringing into this Parliament a crash program to curb the rising unemployment—a program that will create jobs for Canadians, especially during the critical months of the winter when unemployment in this country will exceed one million at the present rate. My leader in his speech referred to the Opportunities for Youth program as a kind of summer works project. I will go one step further and suggest that we continue this kind of thinking or this kind of program under the general auspices of a winter works program, be it an opportunities for elders, an opportunities for youth or an opportunities for Canadians program. This is the type of worth-while project, worth-while thinking, that the government should be concerned about at present.

• (12:30 p.m.)

One provision in the bill before the House is worthy of immediate attention. It is one on which steps should be