

group, as well as for those women who are heads of families left to fend for themselves in a very unequal society with regard to employment opportunities and the further handicap of lack of day-care centres. Regardless of our individual beliefs, we parliamentarians will at some time have to tackle the problem of poverty. Senator Croll put his finger on an important part of this problem when he said that much of the taxes the poor have to pay are regressive forms of taxation, which therefore do not aid transfer payments or change relative positions because poor people have to pay property taxes, excise taxes and indirect sales taxes, all of which fall upon them proportionately more heavily and hurt them proportionately more than higher income people. Poor people are thus kept at a perpetually low level, which is a terrible situation.

The hon. member for Waterloo-Cambridge (Mr. Saltzman) spoke about the problem of unemployment, as have others on this side of the House. We do not dismiss the difficulty of having a stable price level and full employment at the same time, but we have seen the government using unemployment insurance to introduce regressive taxation once again. Proportionately, a person making \$19,000 and a person making \$7,000 will pay the same amount of unemployment insurance premiums. That is a regressive form of taxation which falls on lower income groups and keeps them down.

We will either have to introduce a negative income tax or some form of payments which will hurt those of us who are in a relatively comfortable position, if we are really sincere about wanting to improve the lot of the poverty-stricken in this country. We have been very lucky because they are spread over a wide geographical area in various provinces and do not have much of a political voice. Native people who have been traditionally kept in a low income and social position have recently been showing a militancy at which some of us are very much surprised. But the essence of their militancy and distrust is that they are suffering because of this terrible poverty and all that it entails: the undereducation, disease, malnutrition, unequal opportunities to improve themselves and the declining morale of families which all the sociologists have been writing about.

We in parliament are the only people who have the power to do something about this if we really want to. But we have not had the political will to change the tax structure, change the relative positions to which I have referred, because we have been saying that if we touch the 20 per cent who consistently earn 42 per cent or 43 per cent of the nation's income, we will somehow affect their incentive to work. As members, all of us have been employers, teachers, university professors of one category or another, and of course for the extra effort and training we have put in it is only human to want a good share of the the income of the country in which we have been raised.

However, the fact is that as parliamentarians, school-teachers, lawyers or university professors we receive a certain satisfaction from our jobs which is called psychic income. Even if our income was reduced, with some exceptions we would go on doing the same kinds of jobs; and I am not referring to any special sacrifices because one is a clergyman and has accepted that role in life. I am just talking about the ordinary satisfaction which comes with

professional life, whether it be in medicine, law, or teaching.

Despite all the transfer payments and expenditures of government, it seems to me we can only change the situation for poor people if we convince ourselves as parliamentarians of the need to really do something about it. We have not yet changed the situation although we have had some clues as to how to go about it. But surely this type of income tax which was introduced by the former minister of finance will not really change anything. Are we going to be satisfied, as members of this House of Commons, if we are re-elected or stick to politics, to return here ten years from now and find that the lowest 20 per cent of the population is still only receiving 4 per cent of the total national income? Surely not. Surely we take our positions more seriously than that, and surely we can affect our parties so that they will bring in policies which will change the relative tax structure in this country. If not, we ought to give up completely and resign ourselves to the status quo. We might as well keep having the lower 40 per cent of the population receiving 14.8 per cent of the nation's income, or thereabouts, and the upper 20 per cent receiving 42 per cent while we talk about how much we love the poor. No, more than that is demanded of us and our political parties must give a lead.

The hon. member for Waterloo-Cambridge has already said that this tax is largely useless in terms of the income restraint program which has been introduced by the government. I refer to the investment tax credit which is intended as a temporary, extra incentive for investment. As we understand it, the credit will be 5 per cent of the taxpayer's investment in new buildings, machinery and equipment for use in Canada in manufacturing, in processing, in petroleum or mineral production. The previous speaker referred to this in connection with mineral production, farming and fishing. We must keep in mind that this is in addition to what was in the budget as a reduced tax rate which now totals 40 per cent, and also there is the two-year write off for manufacturers and processors. The point I wish to make is that at the present time we do not hear very much opposition from the business community to this restraint program, called the anti-inflationary program, because, although there has been a little bitching by them on certain things, they well know that as it is written now, by and large there are certain qualifications.

● (1700)

The Minister of Industry, Trade and Commerce (Mr. Jamieson) said not only is it possible that we will roll back dividends as long as they are going back into investment, but we might also put all forms of control on the investment sector as long as it can be shown to increase productivity. On the face of it, that sounds a bit as if we will make jobs for everybody. They seem to forget, however, that at the present time unemployment in this country stands at 7.2 per cent or 7.3 per cent.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Turner (London East)): I have the honour to inform the House that a message has