

*Oral Questions*

required would have been an increase of something like 125 per cent in the premiums under the Unemployment Insurance Program. The Unemployment Insurance Program is what it is, an insurance program to which employees and employers are contributing for their own security. Due to the current economic situation and difficulties, the Government decided that we would not apply the normal rule, but that in effect, the Government would assume 70 per cent of the deficit that was being incurred by the fund and only 30 per cent would be assumed by the employers and employees. This is the contribution of the Government of Canada in the current situation.

Our decision was made after consultations with labour and management and in the case of the Unemployment Insurance Commission, it recommended exactly what we have implemented. In our consultations with most labour unions and management, they agreed that they should be contributing a share of that increased premium.

With respect to the question raised by the Hon. Member, I have already told him, and I repeat, that I have set up a nice "budget box" in my office. I have heard his representations on this proposal and, as I prepare my budget for 1983, I will give his proposal and suggestion careful consideration.

#### REQUEST THAT GOVERNMENT CHANGE TAX BENEFITS FOR WEALTHY

**Hon. Edward Broadbent (Oshawa):** Madam Speaker, the Minister smilingly is quite prepared to increase the tax burden on every ordinary Canadian but is totally unprepared to make wealthy Canadians pay their share at this time. We in this party find that totally unacceptable.

I want to return to another part of the first question that the Minister did not answer. Will he admit that, as a result of closing a couple of loopholes that benefit upper-income Canadians which he announced on Wednesday, in addition to the tax changes brought in by his predecessor last fall, the upper 7 per cent of Canadian income earners will get over a billion dollars in tax benefits in the coming year, while we overtax the average Canadian? If he will admit that, will he bring in a change now, and not six months down the road, that will make upper-income Canadians pay their share at this time?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, in my statement earlier this week I estimated that the total tax benefits granted were \$300 million over a full year. The largest single element in that tax break is going to the Canadian men and women who are working in this country, through abandoning the proposal to tax their health and dental plans. The Leader of the New Democratic Party should recognize that.

## AVIATION INDUSTRY

### PROVISION OF FUNDS FOR CROWN CORPORATIONS

**Hon. Sinclair Stevens (York-Peel):** Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. As the Minister has indicated, he will be seeking parliamentary approval for a further \$400 million equity injection for Canadair and de Havilland. Would the Minister indicate and assure the House that none of those funds have been advanced or borrowed to date, nor will such funds be advanced or borrowed directly or indirectly by those two companies prior to Parliament having an opportunity to take action on his request?

**Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, to my knowledge none of those funds have been advanced to Canadair and de Havilland. However, it would seem inappropriate to me not to advance those funds to Canadair and de Havilland, because one of the things that they want to do is reduce some of their high interest rate loans and then take advantage of lower interest rate loans when the money is required. To me, it would impede the progress of Canadair and de Havilland if that money were not advanced.

### VIABILITY OF CANADAIR

**Hon. Sinclair Stevens (York-Peel):** Madam Speaker, again I question the Minister of Industry, Trade and Commerce who has just indicated that parliamentary approval will be virtually just a rubber stamp if it is given. In view of the fact that Canadair alone will have a total exposure now of \$1.5 billion backed by the Government and the people of Canada, would he indicate if he can assure the House that Canadair is in fact viable, bearing in mind that that will mean that it has triple the indebtedness of its main competitor, Gulf Stream America? It will in fact have an indebtedness equal to \$300,000 for every employee in that company. Is it viable?

**Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, as the Hon. Member knows, many companies which rely on export markets are experiencing financial difficulty today. Canadair does not control the international marketplace. It does not make decisions as to who buys corporate aircraft. If we did not think that Canadair was viable, if we did not think that jobs were important in the aerospace industry, we would not be coming to Parliament and requesting another \$200 million in equity infusion to the company.

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## LABOUR CONDITIONS

### DURATION OF NORDAIR STRIKE

**Mr. Geoff Scott (Hamilton-Wentworth):** Madam Speaker, my question is for the Minister of Transport. Many employees