

Income Tax

● (1402)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Orlikow: Mr. Speaker, this country is facing the greatest crisis in unemployment which it has seen since before World War II and since, as we call them, the hungry, dirty thirties. The situation has been accelerating over the last two or three years. For each month of this year we have had substantially more unemployment in this country than we had for the same month last year. Also, in every month in 1976 there were more unemployed than in the same months of 1975.

In October of this year we had 886,000 people unemployed, compared to 769,000 in October, 1976. In other words, Mr. Speaker, we had more than 100,000 more unemployed in October, 1977, than we had in October, 1976. The rate of unemployment, on a seasonally adjusted basis, grew from 7.4 per cent in October, 1976, to 8.3 per cent in October, 1977—an increase of almost 100,000. Here we have a Liberal government, with the Prime Minister (Mr. Trudeau) and minister of Finance (Mr. Chrétien) who come from the province of Quebec. Both of them have been telling the people of Canada and the people of Quebec what a disaster the whole idea of the separation of Quebec would be for the people of Quebec. If one looks at Quebec's unemployment figures for October, 1977, we see there were 283,000 people unemployed, compared to 234,000 in October, 1976—an increase of almost 50,000.

● (1412)

The seasonally adjusted rate of unemployment in Quebec grew from 10.1 per cent in October, 1976, to 11.4 per cent in October 1977. If one looks at the rate of unemployment among young people aged 24, he will find that in October there were 383,000 unemployed in that age group—almost 50 per cent of the total unemployed. In Quebec, the percentage of young people unemployed is somewhere between 14 and 16 per cent. The Minister of Finance can do nothing more to promote the feeling of separatism than to permit this completely unacceptable rate of unemployment to continue. How can one expect the young people of Quebec to support a country—Canada—in which they cannot find jobs, when they have the best education this country has ever been able to offer? Is this a temporary situation? The Minister of Finance is quoted in the October 7 *Globe and Mail* as follows:

Canada's unemployment rate will not go down in the next year and a half because the economy will not grow fast enough . . . real gross national product increases of 2 per cent this year and between 4 and 5 per cent next year will increase employment but not enough to make a major impact on the rate of unemployment.

When the former minister of finance delivered his address in the spring of this year, he predicted an increase of 4 per cent, plus, in the gross national product. Of course, the increase has only been half that amount. The reason for that wrong estimate is that finance ministers have consistently been given incorrect information by their senior advisers in the depart-

[The Acting Speaker (Mr. Ethier).]

ment. If the Minister of Finance wants to begin trimming the fat off the public service, he should start with the senior people in his department. They have been giving ministers of finance incorrect information for the past four or five years. The minister admitted that unemployment would not decrease and, in fact, could well increase in the next year or so. He was merely repeating some of the forecasts made by all economists with the exception of those made in the minister's department.

On October 25 the Toronto *Globe and Mail* reported the views of the chairman of the Ontario Economic Council, Professor Grant Reuber, who said:

Ontario probably will have high unemployment and inflation and slow economic growth during the next ten years—

That opinion is not surprising. That situation has been vividly brought to our attention as a result of the ruthless lay-offs by the International Nickel Company at Sudbury, Thompson, Manitoba, and Port Colborne, Ontario. This will mean a loss of about 4,000 jobs within the next few months. Sudbury will lose 2,800 jobs, Thompson 650, and Port Colborne 375. In Sudbury the payroll will decrease by over \$40 million if the cutback lasts for a whole year. In Thompson there will be a loss of about \$10 million in wages, and in Port Colborne about \$4½ million. In Sudbury, where there is really no other industry, the workers will lose over \$40 million in wages. Between \$12 million and \$15 million of those earnings would have gone to federal, provincial and municipal governments through taxes.

In addition, the workers would have spent money on food, housing, automobiles, stoves, refrigerators, television sets, and so on. That loss does not just mean a reduction of \$40 million in wages. The Canadian people will have to pay approximately \$560,000 a week—close to \$30 million—in unemployment insurance. Therefore, the loss will be almost twice the \$40 million figure. Not only will those who have been laid off suffer, but so will the small business people in Sudbury, Thompson and Port Colborne whose livelihoods depend on purchases by Inco workers.

That is not the end of the losses. Last summer Inco hired about 1,100 students, and the summer before they hired about 1,400. Those students, who depend to a large extent on work in the mines in Sudbury in order to continue their education, will in all likelihood not be able to continue unless the federal and provincial governments increase sharply their loans and student aid grants. However, that is very unlikely.

We are not talking about a poor corporation but one of the most powerful in this country. I want to put on record what the federal government and the Ontario provincial government have done for this company which in one fell swoop is laying off almost 4,000 people. From 1967 to 1976, Inco's profits totalled \$1.7 billion. This multinational corporation owes the people of Canada \$368.9 million in deferred federal taxes. As far as I am concerned, that is an interest-free loan to International Nickel.

This money was used to develop sources of nickel which will be sold in Guatemala and Indonesia. The money used to build these companies was obtained from Canadian workers. It has