

*Oral Questions*

measures taken by his predecessor and by his predecessor twice removed, and since he has only been able to identify \$1 billion, at most, of the tax cut effective as of January 1, would he explain why he consistently refuses to bring in a tax stimulus equal to \$2 billion, as we have been suggesting, bearing in mind that this would result in the gross national product being \$7 billion to \$8 billion greater than it would otherwise be? We are talking about the creation of between 100,000 and 200,000 jobs.

**Mr. Chrétien:** I am delighted to hear that the hon. member is willing to increase the deficit by \$2 billion more than the present figure. When I bring down a budget, I shall be delighted to remind the hon. member of his statement.

**Hon. Robert L. Stanfield (Halifax):** May I ask the minister a question in a non-partisan way, purely for information? Is it his position that tax indexing amounts to a fiscal stimulus?

**Mr. Chrétien:** It is a stimulant because it changes the tax base in such a way that people have less tax from one year to another. This was an idea of the hon. gentleman when he was leader of the opposition and one we took from him. He has to recognize that this is a technique which has been used by Canada and not by the United States or other countries. We have to realize this and tell the public that when this automatic tax indexing is in place, people will have that much more money in their pockets.

● (1422)

**Mr. Stanfield:** Mr. Speaker, in view of the disastrous effects to the Canadian people when the Minister of Finance operates under a total misconception—

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

**Mr. Stanfield:**—I ask the minister not to take my word for it, but to get in touch with a former minister of finance, Mr. Turner, who, while a slow learner in this respect, eventually did learn that the indexing of personal income tax is not a fiscal stimulus but is merely a method of preventing an increase in the actual tax rate and a method of avoiding a drag on the economy. I therefore ask the minister if he would not mind getting in touch with Mr. Turner and having Mr. Turner explain this to him.

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

**Mr. Chrétien:** Mr. Speaker, I have a very good relationship with the former minister of finance.

**An hon. Member:** Which one?

**Mr. Chrétien:** When I talk to him, I will say that I heard about him from a former colleague of his, the hon. member for Halifax. I will be delighted to communicate to him the words of the hon. member.

[Mr. Stevens.]

## MEASURES TO CREATE JOBS

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I have a question for the Minister of Finance. Unlike the Premier of the province of Ontario, the Premier of Saskatchewan practices what he preaches.

**Mr. Beatty:** Socialism.

**Mr. Broadbent:** In the budget which was brought down in Saskatchewan on the same day Premier Davis brought in his monstrosity in the province of Ontario, the Premier of Saskatchewan followed up at least one or two of the minimal accomplishments which were achieved at the first ministers' conference in terms of job creation. In the budget brought in in Saskatchewan there was, in addition to the effects of indexation, a 9 per cent tax cut offered to the people of that province. In addition, the decision was made to invest some public money to create jobs now, and to produce energy down the road.

Those were two concrete measures to create jobs, which the first ministers' conference alleged it was concerned about. I would like to ask the minister, in all seriousness, why does he not take similar action, now, at the national level.

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, I said earlier that I will decide to have a budget at the right time. I am looking at all the opportunities everyone is offering. By not putting forward a budget, at least I am not subjecting the House of Commons and the people of Canada to the kind of budget the government of Ontario put forward, which increased taxes.

**Mr. Woolliams:** What about Lougheed?

**Mr. Broadbent:** In addition to saying what he is not going to do, will the minister give us some expression of opinion at this point about the general orientation? Would he not agree that instead of spending between \$4 billion and \$5 billion which we are going to spend in deficit, so to speak, next year in unemployment insurance pay-outs to people to do nothing, it makes a lot more economic as well as social sense to take a part of that \$4 billion to \$5 billion and put it into public sector investment to create jobs now? That would also benefit the public in other areas down the road.

[*Translation*]

**Mr. Chrétien:** Mr. Speaker, if that could be done automatically, things would be easy but I would be much surprised were the hon. member to agree to stop paying unemployment insurance as of tomorrow morning and invest those funds in public works. I suggest that the transfer is not done automatically and that there is a span of time between the two. We have employment incentive programs amounting to \$600 or \$700 million and administered by the Department of Employment and Immigration. Those programs are monitored on a permanent basis and if we feel we can put more people to work by expanding the budget of this department, we will be glad to do so. But it would be impossible to stop paying unemployment