

Employment Tax Credit Act

aspect of our national dilemma—a denunciation of the deficit spending policies of the present government. All members of this House should pause and consider how the Employment Tax Credit Act will address our national problems. The article is a recitation of disaster, the authors of which sit opposite. On April 27 there appeared in the Sunday business report section of the *Province* the following:

Every child born in Canada this year will get one bit of inheritance he or she may not want—a slice of the national debt.

Along with the rest of us, the newborn babe will be expected to share the burden of shouldering a debt load of around \$60 billion. That's about \$2,540 each at present, and will be closer to \$3,000 each by year-end.

An hon. Member: By an irresponsible Liberal government.

Mr. King: Hon. members opposite may smile. Maybe they like it but I do not. I do not want my grandchildren to be faced with it nor the new daughter of the hon. member for Vancouver Quadra (Mr. Clarke).

Some hon. Members: Hear, hear!

Mr. King: The article continues:

The interest on the national debt this year is expected to reach \$10.2 billion or a staggering \$432 each.

The country's estimated nine million taxpayers could look at it this way:

In 1980 they are expected to pay personal income tax of around \$16.5 billion or an average \$1,833 each. \$1,133 from each of the country's taxpayers would just be enough to meet the interest on the national debt, leaving a scant \$700 each for other government purposes.

It's no wonder that the size of the national debt and the mini-budget of the past week which added another \$10.7 billion to the debt figure cause concern.

It causes concern on this side but I do not think it causes very much concern across the way. The article goes on to say:

At that rate, within a couple of years all of the income tax raised would be insufficient to meet the interest payments on the debt.

Further along the author writes:

And debt burdens incurred by the Crown corporations and agencies in their own name but guaranteed by the federal government have certainly been galloping upwards.

According to Canada Tax Foundation figures, contingent liabilities of the federal government through its guarantees of Crown corporation debts increased from \$18.8 billion in 1977 to \$28.6 billion in 1979.

He then pointed out that economists are concerned about the borrowings by Crown corporations and agencies because they do not know exactly where the money is coming from. Later in the article he writes:

—deficit budgets . . . hamper the private sector's ability to raise capital. If the government is in the marketplace as a big borrower, Canadian industry must look elsewhere for its funds.

He is referring here to the criticism voiced by someone else who is also reported as saying:

"If there's enough government paper around, the private sector has to offer higher rates or go out of the country. Either way it's more expensive for them."

This is what causes our problem, Mr. Speaker. It is why this bill is before the House and why it should be extended; under these circumstances we do not have many options. The deplorable thing is that there are no long-term initiatives proposed by hon. members opposite to correct the basic ills in the land.

The government cares little about this aspect of our nation's character. I suspect the reason for this inattention is that there is a political advantage to ducking reality. There is a practical advantage for those who pursue socialist philosophies—an advantage which generates dependence on government programs like this one and programs for spending which tend to be self-perpetuating. Socialists know that as government's role increases, the demand for government intervention also increases. The outcome is that government momentum carries itself.

We see this in the unseemly haste to metrication which is being propelled not by national demand but is being carried by a bureaucratic offensive on the part of the Metric Commission. Those who espoused government intervention found their positions weakened by an active, vibrant, self-sufficiency in the private sector.

What do we propose, then, Mr. Speaker? Just that it is time for Canadians and the Canadian government to use common-sense in the nation's economy. Canadians are prepared to share the burden of restoring health to the nation. There is an opportunity to do great things for Canada but those opportunities have to be seized.

Home ownership has to be encouraged, Mr. Speaker. Small business enterprise must be encouraged by reducing red tape and taxing interventions. The national debt and our deficits must be reduced so that we can capitalize on our natural advantages in the areas of energy and resource supply. We must reduce our dependence on foreign capital inflow so that we can control internally such important factors as our interest rates.

I should like now to refer to specific situations in my riding of Okanagan-Similkameen which have a bearing on this act. The lumber industry in my riding is still trying to "tough it out" as a headline in the Vancouver *Sun* of April 23 stated. A front page article begins by saying:

The angry talk in the beer parlors and union halls, the echo of a few voices in a cavernlike mill are becoming the new sounds of the local lumber industry, where just a few months ago man and machine hummed harmoniously if noisily.

The article also points out that 8,000 people have been laid off. On the same page there is another article with the headline "Spending Climbs—National Debt 'Costs \$1,000 per taxpayer' ". That figure could be updated considerably, Mr. Speaker.

I think it is significant that those two headlines are on the same page and I hope that significance is not lost on hon. members opposite who are in a position to change the course of this nation's economic policy. The price drop has been so severe that in some cases mills can only sell the finished product below the cost of the timber itself. The necessity is to clear the shelves at any price to generate cash flow for the banker.

Last Friday, Mr. Speaker, I drove to Grand Forks in my riding. I passed the Pope and Talbot sawmill at Midway. The parking lot in front of the mill was empty. Ordinarily there are hundreds of cars in the lot. That is the sort of local tragedy that is upon us simply because the government of the day