

and not to undertake everything. You can then get the benefits of both systems. You can have competition where competition has some merit and provides some benefits, but you also get the benefit of planning public ownership and coordination, where that is obviously the way in which we have to go.

I guess I should have not been surprised. I should have anticipated that my colleagues on my right feel that our tax system has been too onerous for businessmen, that we should get rid of the capital gains tax and that the whole Carter report was a mistake, even as little of it as the government implemented. In fact it was most unkind of the hon. member for York-Simcoe to degrade the government over its lack of response to businessmen. I cannot think of any government that has been more generous to businessmen or has given more away than this government in the last number of years.

Because it said we had to make our business in Canada more competitive, the government brought in two main tax measures. It reduced the corporation tax to one of the lowest in the western world. It gave valuable concessions in the way of depletion and depreciation allowances. Those were very, very generous concessions. When successive ministers of finance answered why they were giving these great benefits to business in Canada, they said it was in order to be competitive, to provide jobs, to provide the investment and capital that are needed to create employment.

We have now gone through two or three years of this corporate bum era. Where is the great prosperity that was promised this country as a result of these tax concessions to business? Where is the employment the government said would be created if we would only let business hang on to its profits, and be generous with depreciation allowances? Where is it? We do not have the employment and we do not have the investment. It is not that they have not made the money, it is that they have not used the money.

We argued that if you want to stimulate the economy you should give the money to the people who want to buy things and let business respond to that, instead of giving the money or concessions to business. There are times when in fact concessions to business may be valuable, but not in the period of time we have gone through when most businesses have idle plant capacity. The idle plant capacity in Canada is something around 20 per cent. There is hardly a factory in this country that could not increase its production by 20 per cent if there were the demand or market for its products. That demand or market only comes from people making the purchases they want to make.

The government promised there would be a survey of the consequences of those tax concessions. It did a survey. It asked something like, "Would you like to have these concessions continued?" One would have expected unanimous agreement from the people involved saying "Of course, we want these continued", giving a story about how great the benefits have been from these tax concessions. Instead, the results of the survey that came back were unfavourable. Of 1,014 companies surveyed, only 67 bothered to respond. A follow-up survey indicated the companies which failed to respond had a zero impact on their operations as a result of these tax measures.

Economic Policy

Mr. Deputy Speaker: Order, please. I regret I have to interrupt the hon. member, but the time allotted to him has expired. He may only continue with consent. Does the House agree that the hon. member may continue his remarks?

Some hon. Members: Agreed.

Mr. Saltsman: Mr. Speaker, I will not take up too much time of the House. I know there are other members who wish to speak. I will conclude my remarks by summing up the point I was trying to make.

I agree with what the hon. member for York-Simcoe said about the chaotic state of our economy, the absence of planning, and how everything is going off in different directions. However, I also disagree with the hon. member. I call upon this House to recognize that we cannot go back to the kind of situation that got us into the present mess.

The fault of the government is that it has in fact listened to the kind of advice that the hon. member for York-Simcoe has been giving, namely, "keep your cotton picking hands off the economy and leave it to those of us who know more about running it than you". That has been happening, and it has made a mess of things.

The government has interfered in the economy to some extent. I do not think its efforts have been all that great. Ministers really do not have that much confidence in government interference. That is probably the reason why none of these things have worked. It is as though the government had a death wish about its own creature, not wanting it to work.

I do not think we can go back to the simple model of an eighteenth or nineteenth century economy. Our resources are much too scarce for that. The challenges facing the country are much too great. Therefore if the government is to be condemned, and I think it should be condemned, it is because it has been derelict in its duty, not using its brains to anticipate the problems, and not doing intelligent planning to make the best use of our resources.

● (1610)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, again I have the great pleasure to intervene in this debate and congratulate the sponsor of this motion who denounces anew a reality that is unfortunately very obvious. In fact there are so obvious inconsistencies in government policies that we really wonder how such policies can be seriously established.

But, Mr. Speaker, when we study the matter in depth to find out for what actual motives or reasons this government formulates such policies we realize that those inconsistencies are created by the obstination of the government to maintain a totally inadequate system as a basis for those policies. So is it not surprising that we wish to fight inflation and that we accept higher unemployment as a consequence of this fight against inflation.

Of course, we do so without mentioning it as it would not be politically profitable. But facts are facts. We also accepted escalating prices developing into real inflation because a few years ago the problem had nothing to do with our production capacity or the quantity of products