

Income Tax Law Amendment Act, 1971

effective for them. At the same time it would have provided a needed stimulus to the economy of the country. It would have been a meaningful method of taxation though it would not be consistent, of course, with the prevailing philosophy of the Liberal party, which is to give disproportionate gains to those in the upper income brackets.

• (5:00 p.m.)

I should like to turn to the second category of "reform," the last word being in quotation marks. I refer to the 7 per cent reduction in corporate taxes. This is even more scandalous, if that is possible, than the across the board 3 per cent reduction in income tax. I wish the hon. member for Duvernay (Mr. Kierans) were in his seat because he made a very fine speech in the House last week, one which, in substance, has been made by members of this party for the past two or three years. It seems that when sinners repent their speeches gets much more attention than when they are made by other people for a number of years.

The 7 per cent reduction in corporate tax is simply a windfall profit for corporations in Canada and has absolutely no connection with increasing the number of jobs for Canadians, which is the stated purpose of this reduction. I should like to know whether the government asked itself if it should provide tax reductions only for those firms that are labour-intensive as opposed to those that are capital-intensive. I would ask the parliamentary secretary whether he thinks that this tax reduction of 7 per cent given to the oil industry of Alberta, an industry that is capital-intensive and which employs very few Canadians, is going to result in any increase in jobs.

The answer to that rhetorical question is obviously no, and it is also no if the same question is asked in relation to many other sectors of the economy. If we are to use a reduction in corporate taxes as an exclusive means of stimulating the economy by increasing employment opportunities, then as anyone with a brain in his head knows you have to distinguish between labour-intensive and capital-intensive industries. It is just that kind of distinction that the government refuses to make.

Quite apart from that distinction, one would have thought that instead of just giving hundreds of millions of dollars to Canadian corporations we would also have included in this particular tax measure the requirement that before these corporations receive a tax benefit of 7 per cent they should be able to show, firstly, that they have expanded their industry by a certain percentage within a given period, and secondly, that such expansion had resulted in the creation of additional jobs. After all, this is what the bill is supposed to be about. It is not supposed to be a bill that simply gives money to corporations; the stated purpose of the bill, as announced by the Minister of Finance in October was to stimulate the economy. Why then does the government not tie tax benefits to action that increases employment? No such provision is contained in this bill.

Once again we are simply squandering public money. As far as the corporate sector of the economy is concerned, we are giving away \$160 million in the fiscal year 1971-72. The Liberal party of Canada, as the hon. member for Duvernay eloquently and very adequately documented last week, has been responsible for selling out a good

part of the Canadian economy during the past decade. In addition to selling out the economy, the government is selling out to existing corporate owners, whether foreign or domestic, the real financial possibilities that will eliminate the prospect of hundreds of thousands of Canadians ever rising above the poverty level. It would have made much more sense, as I said a minute ago, for the government to have given this \$160 million to all taxpayers within the \$4,000 to \$7,000 income brackets. That at least would have taken a lot of the people off the poverty line. There is no guarantee whatsoever that the corporate sector of the economy will provide more jobs as a result of this particular tax proposal.

I shall not take more any more of the time of the House and want to conclude by briefly summarizing my two points. The claim is made that this reduction of personal income tax in the amount of 3 per cent is both just and provides a stimulus to the economy. In fact, it does neither. Secondly, it is alleged that the 7 per cent across the board corporate tax reduction will provide needed stimulus of the economy and more jobs for Canadians. I suggest it will not do either of these things. In short, my view and the view of the New Democratic Party is that the bill fails to do what it is intended to do. All it achieves is the perpetuation, indeed the aggravation, of existing inequalities.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I rise with some apology to my colleagues to my extreme left who obviously want to extend the debate on Bill C-275. I must say that having listened to the hon. member for Oshawa-Whitby (Mr. Broadbent) I am hesitant to make any remarks since I am sure he is talking about a different bill from the one before me. I must say as a compliment to him that I have never heard any member stand on his feet for so long to say so little, but with obviously so much dedication to his point of view. I say that to him in the full meaning of the Christmas spirit. I was hoping that my good friend, my esteemed colleague from Saskatoon who is in charge of the Wheat Board and who also represents the unemployed of Canada, would make a few remarks on this bill because I am sure there are many points of view he would like to expound upon in connection with the manpower training program.

I want to point out to the House that this bill enables us to speak about the manpower training program, since from clause 5 on it relates directly to that program. A few days ago the minister issued a press release to the Canadian people on the benevolent results achieved by the manpower training program during the last year. I remember pondering for hours the results of the program and thinking back to my former days as a student when I did a little bit of research. I found it absolutely impossible to draw the same conclusions as the minister did on the basis of my research evidence. But, of course, I do not have the capabilities of the minister and I am not as good at figure skating or stick handling or any of the other acrobatic skills which go with being a minister in the present cabinet. So immediately I put aside my apprehension and deliberately avoided trying to make further comments on these programs to which he was referring.

[Mr. Broadbent.]