

*Income Tax Act and Related Acts*

Anyone who has a family believes in incentives. I do not know whether Members opposite have families, but I think you know, Mr. Speaker, since you have a family, that one has to have incentives. One has to have fairness. I fully agree with what has been said about the need for fairness in tax reform. I have written about the subject.

One thing is very clear. It is that if the people of Canada ever elect Members opposite to form the Government, the business climate will go straight down. Unemployment would go straight up and the dollar would go down. Taxation would go up for everybody. Very quickly the result would be that the good which the Government has done in the last three and a half years would be undone.

I know how Members opposite talk before the election. They are all for everything that is good and against everything that is bad. All the people of Canada have to do is elect these people to office, and I am encouraged that that will not happen, and enough will be done to the business climate in Canada that we will all suffer. I refer to the young, the old, as well as to all regions of the country.

Members of the Party say: "We must get the corporations. Strangle them". That is what they did in Manitoba. They say that they should be got rid of.

**Mr. Cassidy:** That is the law in the United States. What is wrong with that?

**Mr. Kilgour:** The Hon. Member for Ottawa Centre used to be a financial writer. He should know that individuals ultimately pay taxes. Corporations, as he knows, just pass them on in increased prices.

**Mr. Cassidy:** The Hon. Member for Edmonton—Strathcona wants no corporate taxes. That is what he is saying.

**Mr. Kilgour:** I have never said that at all. In fact many companies should pay higher taxes. But if the Hon. Member thinks that the answer is to strangle the golden goose, whatever company it is, to the point that the goose expires on the floor and with it its jobs—

**Mr. Cassidy:** The Hon. Member is speaking out of both sides of his mouth. He is for higher corporate taxes and lower corporate taxes.

**Mr. Kilgour:** His training at the London School of Economics was grossly deficient. Even *perestroika*, *glasnost* and the East Bloc recognize that incentives are needed. If cement is poured on an economy, which can be done with higher taxes, then nothing is created but fewer jobs, less productive employment and less of a future for everybody in society.

**Mr. Cassidy:** So 60,000 profitable companies should go tax-free?

**Mr. Kilgour:** I have written against that. Those companies should pay taxes. I am in favour of corporations paying taxes.

**Mr. Cassidy:** So you are in favour of a minimum tax? Are you with us or against us?

**Mr. Kilgour:** I am against what the Party of the Hon. Member will do to the business climate of the country. I am saying that they will do exactly to the business climate of Canada what was done to the business climate in British Columbia, Manitoba, Saskatchewan. Thank goodness there is no electorate in Canada today which wants to put up with the type of things that the Party will do to the business climate in Canada.

**Mr. Cassidy:** The Yukon has an NDP Government, and it is doing a damn fine job.

**Mr. Kilgour:** The only point my hon. friend forgets is that right now in the Yukon there are 23,000 people, men, women and children and they have all kinds of special problems. I accept that and agree with them fully. What works in the Yukon will not work in Ontario. I can think of nothing that would create unemployment faster, especially for the riding of the Hon. Member, than the tax policies that some of his more radical colleagues—and I will not name them for him—would impose. I can think of nothing that would do it faster. I can think of nothing that would create more havoc in this country.

• (1830)

**Mr. Keeper:** Why is unemployment so low in Manitoba with an NDP Government?

**Mr. Kilgour:** The Member asks why unemployment is lower in Manitoba. I am sure he is perfectly aware that it is because it has a more diversified economy than any other province in western Canada.

**Mr. Cassidy:** Who created that diversified economy? It was the good management of the NDP Government.

**Mr. Kilgour:** The Member is arguing that the New Democratic Party Government has created a diversified economy in Manitoba. He knows that is totally false. There are many factors involved going back to the turn of the century and the entrepreneurial spirit of Manitobans, the multicultural nature of the population, and many other things. Surely the Member would not be so foolish as to tell the House that it has anything to do with the past NDP Governments of that province. The economy of that province did well in spite of the governments in office, not because of them. Obviously approximately 80 per cent of Manitobans agreed with that view a few months ago.

**Mr. Keeper:** Do you acknowledge that the unemployment was low in Manitoba, not high, as you predicted?

**Mr. Kilgour:** Of course it was low. I explained to the Member that it was lower because there were less Manitobans working in the—

**Mr. Cassidy:** That is after 15 or 18 years of NDP government, almost two decades of good government with the NDP.