

Income Tax Act

I am not saying that small business should not constantly be making its case to government. We depend on the private sector basically for job creation and economic growth. I cannot accept at face value, however, the criticism that is constantly being made of government that incentive has been taken away or that there are not enough incentives in Canadian society for small business.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, let me begin by saying a few words about the tax agreement with which one of Canada's largest provinces did not agree. It is a failure but I am not going to go into great detail on that. Members of this House know that every member of the Quebec National Assembly representing every spectrum of political opinion in that province—the Parti Québécois, the Union Nationale, the Liberal party of the official opposition and the Social Credit member—opposed the deal imposed on the people of Quebec by this government.

We have heard it said by the Minister of Finance (Mr. Chrétien) and the Prime Minister (Mr. Trudeau) that they gave the people of Quebec the same tax concessions that were accepted by all the other provinces. Nothing could be further from the truth, Mr. Speaker, for two reasons.

First of all, in the other eight provinces, for the six-month period for which the sales tax reduction will be in effect—of course, Alberta has no sales tax—the people will benefit to the extent to which they purchase goods on which there is sales tax. In the province of Quebec, where the sales tax has not been reduced, the bulk of income tax payers will get a tax rebate but people who do not pay income tax will receive no benefit at all from the proposal made by the federal government. I would remind hon. members it is precisely those people who need any kind of tax concession, any kind of rebate, any kind of break, the most—people who have so little income that they pay no tax at all. It is precisely these people who will not benefit from the deal being imposed on the province of Quebec.

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The Prime Minister and the Minister of Finance have said that it works out in the same way. The people in the other eight provinces are getting the same amount of money in the form of a reduction in the sales tax. That may be technically true, Mr. Speaker. I suggest, however, that if the people of the other provinces had been offered a choice—because that is what people of Quebec have had; they have had one of two choices foisted upon them—in many cases they would have chosen to have a tax rebate rather than what they are getting. I say that the proposal made by the Minister of Finance is an unfair one, one which was made only for the political advantage of the federal government.

I want to spend most of my time discussing the economic situation this country is in and the lack of effect which these income tax changes will have on the sorry plight of this country. For the first time ever we now have more than one million unemployed. The last figures we have for the month of April, released by Statistics Canada, indicate that there were

[Mr. Kaplan.]

999,000 people unemployed. That is 85,000 more than were unemployed in the same month of 1977. The rate of unemployment on an unadjusted basis is 9.3 per cent. That is not only the highest number ever unemployed, it is the highest percentage of the labour force which has been unemployed since before World War II.

That unemployment is prevalent right across the country. It is, of course, as usual in this country of ours, heaviest in numbers and percentage in the Atlantic provinces. The percentage in Newfoundland is almost 20 per cent. In New Brunswick it is over 16 per cent. In Nova Scotia it is over 12 per cent and almost 12 per cent in Quebec.

Those are the official figures. Those of us who have given any thought to the situation know that there are probably another 400,000 to 500,000 unemployed who are not counted because they are not actively looking for work. If a person lives in Cape Breton Islands, or some parts of Newfoundland or in some parts of eastern Quebec and does not have a job, he or she knows that there is virtually no use looking for work because there is simply no work to be found.

For the first time since World War II the unemployed are not just people who are poorly educated, who have not finished high school, or who have not gone to university or community colleges. They include substantial numbers of our young people who are unable to find work. These people include the best educated and best trained, the most expensively trained this country has ever had. It does not matter whether they are teachers, social workers or civil engineers, there is no work for them in this country.

Many people who got their training and did what they were urged to do by the Economic Council, the Conference Board and provincial and federal governments as well as the universities did so at great expense and after many years of study. These people took training in fields not only that they liked but in fields which governments told them there would be interesting work at relatively reasonable pay. They now find there is no work at all. I am told, for example, in my province that 50 of the graduate students in education last year have been unable to find teaching jobs. This year's class sees nothing but disaster ahead for them. And yet, what does the government, say? Here is what the Minister of Finance said in April as quoted in the *Winnipeg Tribune*:

Finance Minister Jean Chrétien said Tuesday the economy cannot provide jobs for all those who want work.

"We're doing the best that we can do," he told opposition MPs—

I am here to tell him that the best he can do simply is not good enough.

My province and my city has a relatively low rate of unemployment. We do not have the booms that they have in some parts of Canada and that they have had on occasion in Toronto and Vancouver. We do not have the severe busts which they have experienced either. But, Mr. Speaker, the prospects in Winnipeg and Manitoba are indeed very dim. The prospects in my province, to put it mildly, have not been improved by a provincial Progressive Conservative government which believes that now is the time for governments to show