

his wife works, he is not eligible for any assistance from any other source. However, her income is not sufficient to feed the family and pay the bills. Why will the Government not extend the Unemployment Insurance Program to guarantee that those who are now unemployed through no fault of their own, like this gentleman and many others, will be able to keep up their commitments during this period when there are no jobs for them, until such time as the economy does in fact turn around and job opportunities are available?

[Translation]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have already explained to the Hon. Member how the system operates. There is not much I could add to that. He could refer to many cases similar to the one he has described; in fact, there are similar cases in my very own riding and the problem is real. Clearly, these people are faced with a difficult situation, but under the unemployment insurance legislation passed by Parliament benefits under that legislation have always been paid in Canada. We have not reduced the social benefits in spite of the recession, contrary to most other countries. In fact, in this country we have other social programs to help those who are in need, as I explained in my previous reply to the Hon. Member.

[English]

Mr. Deans: Mr. Speaker, that simply is not true. Those people cannot receive benefits from other than the Unemployment Insurance Program in the circumstances I have described.

REQUEST THAT AMENDING LEGISLATION BE INTRODUCED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, if the problem is that the Act is too restrictive, we on this side of the House will be prepared to give a commitment here and now that, if the Government will bring forward legislation to extend unemployment insurance benefits for those who are unemployed through no fault of their own, and for whom work is not available, we will pass that Bill within a week. Will the Government bring forward that legislation in order that those people ought not suffer?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have just heard the usual New Democratic Party attitude. It is all ready to vote for additional expenditures, but it is never ready to vote for additional ways of raising the funds.

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FINANCE

CAPITAL COST ALLOWANCE INCENTIVES

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is also directed to the Minister of Finance. A survey by the Canadian Manufacturers' Association indicates that the reduction in capital cost allowances which was implemented in

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the infamous MacEachen budget has forced industry to cancel \$1.8 billion worth of investment in manufacturing alone. In view of the 1.3 million Canadians who are officially unemployed, and since investment is the prime engine of new job creation, when will the Minister reintroduce this investment incentive, as our Party has so consistently urged?

• (1430)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member does not take into account some \$2.4 billion worth of incentives to the private sector contained in the April Budget in the form of research and development credits, loss carry-back and carry-forward, and in the form of support for small and medium sized businesses in particular. These measures are having a significant beneficial impact on the private manufacturing sector. Obviously my friend can always imagine there would be more investment if there were more tax breaks. I bet my hon. friend that, if we were to pay 100 per cent of private sector investment, there would be more investment. There is nothing new and great in saying this. But there has to be some reasonable, sensible policy as to how much of a contribution there will be from the public sector, the taxpayers, to stimulate investment.

Miss Carney: Mr. Speaker, the Minister has just given us a contradictory mishmash of policy. It is not a question of whether I am ignoring the special projects; it is the fact that two-thirds of the respondents to the Canadian Manufacturers' Association survey said that that measure had affected their investment.

MINISTER'S POSITION

Miss Pat Carney (Vancouver Centre): Mr. Speaker, turning to our international competitiveness, the widely respected *European Management Forum* has pointed out that in terms of industrial competitiveness Canada has fallen from sixth to eleventh place, behind Austria and behind Finland. Since some of the firms responding to this survey specifically said they need new investment to increase their productivity, why is the Minister putting the brakes on our economic recovery by failing to provide this investment stimulus?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, in my previous answer I was not referring to federal Government capital construction projects. I was talking over and above the \$2.4 billion of capital projects undertaken by the federal Government. The last budget had an additional \$2.4 billion worth of tax incentives for the private sector, and my hon. friend should be aware of this.

The Hon. Member refers to the publication called *European Management Forum*. If she had been in the House when the question was raised about this very same publication by her colleague from Etobicoke, she would have known that that publication based its article on figures from the end of 1982 and the beginning of 1983, when Canada was just beginning to get out of its worst recession since the Great Depression. If she looks at the current figures on what happened in 1983, rather