

levels in Canada would be between 2 per cent and 3 per cent, not well over 11 per cent. One has to look not only at the creation of jobs, in which case our rate does not compare unfavourably with that of the United States, but one has also to look at the degree of challenge which is caused partially by demographic factors, partially by the high rate of entry of women into the labour force, to see the extent of the problem we face.

The problem we face in creating jobs really is extraordinary and in a sense unique because of the very high entry into the labour force that we have had up to the present time. As one looks ahead toward the end of the decade, the demographic factors shift and we will not have to the same degree the factor of entry of young people into the labour force as we have had over the last few years. The Hon. Member asks me to explain the divergence between the Canadian rate and the American rate. The essential explanation lies in the facts as I have described to him.

**Mr. Lewis:** Mr. Speaker, I suggest that the 1.5 million Canadians who are out of work are not prepared to wait to the end of the decade.

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#### FINANCE

##### INCOME TAX—COMPARISON WITH UNITED STATES

**Mr. Doug Lewis (Simcoe North):** Mr. Speaker, I have a supplementary question for the Minister of State for Finance. In the United States personal income taxes have been cut 28 per cent in the past three years. That tax cut has produced consumer spending, industrial growth, and created jobs. Will the Minister agree that the accumulation of huge deficits, started in the early seventies by Mr. Turner and continued by the present Government, has eliminated the Government's ability to cut taxes and thus create jobs?

**Hon. Roy MacLaren (Minister of State (Finance)):** No, Mr. Speaker. The Hon. Member opposite has overlooked the fact that in Canada, unlike the United States, income tax is indexed. Therefore we have an automatic and built-in means of restraining tax increases in Canada which is unavailable in the United States. Further, we in Canada have the opportunity to write off certain expenses and costs which is not present in the United States, and which also can provide an additional stimulus to economic growth.

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#### CANADIAN NATIONAL RAILWAYS

##### APPLICATION TO CLOSE NORTHERN STATIONS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I have a series of questions for the Minister of Transport. My questions are with regard to the attempt of CN and VIA to reduce safety, service, and employment in Canada's railway system. As the

#### Oral Questions

Minister knows, today in Churchill the CTC is holding a hearing on CN's application to tear down local stations and to remove station agents from nine northern communities. This is an action which CN is also taking in a number of other communities throughout western Canada and northern Ontario.

One method that CN uses to decrease service is not to advertise the local telephone number in the phone book in a community. For example, in the community of Cranberry Portage there are ten numbers for CN and VIA, but not one of them is the local number. After doing this for a number of years, it applies to the Canadian Transport Commission to take away the station and the job of the local agent. Is that fair, Mr. Minister, and what are you going to do about it?

**Hon. Lloyd Axworthy (Minister of Transport):** Mr. Speaker, I would point out to the Hon. Member for Churchill that in the last three or four months we have taken a number of new initiatives to improve service in northern Manitoba substantially. I particularly draw to his attention the inauguration of the new rail bus demonstration which is a highly innovative and new attempt to provide an effective means of rail transportation for northern residents. That has been part of the new railway transportation package that we signed by way of agreement with the Government of Manitoba, and to which CN is a party.

In addition, as the Member knows, we have committed a substantial number of dollars for the improvement of the Port of Churchill and the development of the new freight rate system and freight car system in that area. It would be proper to say that we are paying a high degree of attention to the transportation interests of the North. What is taking place in terms of the CTC hearings is the opportunity for residents, the railways, and all other interested parties to present their case on how we can provide those transportation services at an efficient level.

Rather than raising somewhat spurious comments, as the Hon. Member has done in the press, he would be much better off to present his case to the CTC which has been able to make judgments based on a proper assessment of all points of view rather than trying to play politics in the local press or in the House of Commons, because the CTC is there to make those decisions.

##### NON-ADVERTISING OF LOCAL SERVICE TELEPHONE NUMBERS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, if the Minister read the local press and the *Winnipeg Free Press*, perhaps he would recognize that the remarks quoted in the *Winnipeg Free Press* were from my submission to the Canadian Transport Commission. I am now going to the Minister in his role as the Minister to whom CN and VIA Rail report, and asking him directly why those Crown corporations do not advertise the number of the local station in the local telephone book. How does he expect local people and tourists to do business with local station agents if the local number is not listed in the