

*Income Tax*

**Mr. Orlikow:** That we can discuss on another occasion. What does one million unemployed mean, in terms of the Canadian economy, Mr. Speaker? A very good economic consultant, Arthur Donner, who writes regularly in the Toronto *Globe and Mail*, made the following estimate which appeared in his column on August 17:

● (1442)

The accumulated real gnp and employment losses since 1973 are staggering. At constant 1971 prices, the production losses are estimated at \$25.5 billion between 1974 and 1976, and assuming the real growth trends projected for 1977 and 1978, this gap rises in the range of an extra \$11.5 billion. To place this figure in perspective, this represents about 42 per cent of the real economic activity in 1976.

These are billions of dollars which could, and should, have been produced but which will not be produced. They represent hundreds of thousands of jobs which could, and should, be available to Canadian workers. What is the approach of this government in dealing with this unemployment problem? Its approach is a further continuation and expansion of tax concessions to corporations and investors as outlined in the budget the former minister of finance brought down last March 31.

We heard a number of members on the government side challenge the NDP, especially the members who have spoken before me, regarding our figures and ask where we got the \$1.2 billion or the \$1,245 million. We got the figure from the budget papers prepared and tabled by the then minister of finance. Let me put them on the record categorically, to show where that money will go: tax relief in respect of business inventories, \$300 million; federal investment tax credits, \$485 million; enhanced depletion for high cost oil and gas wells, \$20 million; increased dividend tax credits, \$120 million; increase in limits for capital loss, \$45 million; inclusion of capital gains on Canadian securities, \$10 million; other corporate and investor tax concessions, \$100 million, with the loss in provincial revenues related to the above, \$165 million—or a total of \$1,245 million.

It has been our argument that it makes no sense at all to try to stimulate investment in Canadian business and industry when industry is now operating at only just above 80 per cent capacity. In other words, industry is not using its existing investment in plant capacity, and no businessman is going to invest in increased and improved production facilities when he is using just over 80 per cent of his present capacity. The time to invest in improved and increased facilities is when industry is working flat out, at full capacity.

The record is clear that the kind of tax concessions the government is proposing for this year, those included in the budget bills which are, and will be, before us, are the same as those the government has tried in each of the last half-dozen years or more. The fact is that we now have over 8 per cent unemployment, or almost twice as much unemployment, in every province in Canada as we had when the Prime Minister took over that position in 1968. That is what we have accomplished with the kind of tax policies the present government has been implementing in the last eight or ten years.

We have consistently suggested there are two ways to reduce unemployment, or two ways to prevent the unemployed carrying the burden of the economic mismanagement to which they have been subjected by this government. As I indicated earlier, the first way is through tax cuts such as those proposed by the Economic Council of Canada, that is, tax cuts on personal income, with the greatest being in respect of people in the lowest income brackets. In addition to these tax cuts we have suggested a system of tax credits which would put purchasing power in the hands of the people who need it the most, that is, the 25 per cent to 30 per cent of Canadians whose income is so low that they pay no income tax at all. That is one way we could deal with the problem of unemployment. The way to get people working in this country is for the government to get into a serious and well thought-out and planned program of public works.

As I listened to the Prime Minister and the Minister of Finance during their recent expositions of the situation we are in and what we ought to do, I could not help but close my eyes and imagine somehow that R. B. Bennett and Mackenzie King had returned to Canada. What the Prime Minister and the Minister of Finance are saying this year about dealing with unemployment and getting the economy moving is precisely the same kind of economic nonsense R. B. Bennett uttered when he was prime minister of Canada in—

**The Acting Speaker (Mr. Ethier):** Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired. He may continue if there is unanimous consent. Is there unanimous consent?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

**Mr. Alex Patterson (Fraser Valley East):** Mr. Speaker, when the minister introduced this bill for second reading on November 7, he said the purpose was twofold: first, to implement amendments to the Income Tax Act as announced in his mini-budget, economic statement, or whatever else you choose to call it, as well as those mentioned by the former minister of finance, the hon. member for Rosedale (Mr. Macdonald), in his March 31 budget; and, second, to increase government borrowing authority.

It seems passing strange to me that when we are called upon to debate measures introduced or suggested back in March, the Minister of Finance (Mr. Chrétien) should suggest we deal expeditiously with them because of the beneficial results that will accrue from the implementation of such proposals. If they are so important now, they must have been important back then and the government has been remiss in not moving forward with the legislation in order to implement the proposals at a much earlier date.

We in the opposition have a number of serious reservations about the government's attempt to bootleg a proposal to increase its borrowing authority by means of an income tax bill. This appears to me to be a trick that has been used on other occasions. That is, whenever the government wants a