

Income Tax

prime the pump and hope some of the stimulation at the top will help people at the bottom.

Mr. Speaker, we do not believe that is the best way to stimulate the economy. This view was endorsed by many people. On April 1, 1977, Geoff Stevens, writing in the *Globe and Mail*, said it was no mean feat that the then minister of finance had managed to out-Tory the Tories. Perhaps that is how he got the hon. member for Crowfoot (Mr. Horner) to join the Liberal party shortly after that budget.

The president of Shell Oil, William Daniel, said that it is a business-oriented budget, and Sam Hughes, executive director of the Canadian Chamber of Commerce, said they were grinning from ear to ear. A wide section of Canadians in the business community seem to think that the budget presented last March and the recent mini-budget are both business-oriented and very conservative indeed.

We must consider whether this type of budget will be good for the economy, Mr. Speaker. I think all of us can agree, despite the remarks of the President of the Treasury Board (Mr. Andras), that the economy is in desperate shape. We have over one million unemployed, all kinds of regional inequities, all kinds of alienation about the way the country is organized—and not just in Quebec but in the Atlantic provinces, Newfoundland and western Canada. We must try to find out how this budget is going to help the Canadian economy. Many Liberal ministers will argue that we must have more incentives in the country. Perhaps they are picking up a Tory argument with that when they say there has to be more stimulation in order to create jobs.

I should like to examine the government's record. Many of the corporations which have received stimulus have not created jobs but, rather, have laid off hundreds and thousands of workers even while getting grants from the federal government. It is not a case of laying off workers once Santa Claus has gone away—they lay them off while he is still there reaching into his pack-sack and handing out gifts to the corporations. Alcan, for instance, started up in 1928 in its present form. By 1970 it had accumulated assets of \$2,215 million. In 1977 it had increased its wealth by 46 per cent, to \$3,251 million. But Alcan, which has been making handsome profits—its most recent profits increased 560 per cent from \$21 million in 1976 to \$138.8 million in 1977—laid off 400 workers in their fluorspar mining operation in St. Lawrence, Newfoundland.

That company made quite a lot of money very rapidly, and one would think it did not need incentives to expand. The profit was not made just on the initiative of the company. By June 1977 it had received \$180 million in concessions from the government, and under the mini-budget of October this year it will receive another \$11 million in grants and tax concessions.

The second case I come to is Inco. I think everyone has heard that they propose to lay off about 4,000 workers in Ontario and Manitoba. Their assets have grown from \$1.8 billion in 1970 to nearly \$4 billion in 1977. Yet workers are being laid off notwithstanding the fact that the federal government has given that company many gifts over the years.

[Mr. Nystrom.]

According to the most recent statistics, they have received a gift of \$378 million in deferred income taxes. These are taxes which have been deferred by the government and are not paid by the company. There is an estimated additional figure of some \$10 million which will go to Inco because of the latest budget brought down by the Minister of Finance during the last month.

● (1642)

If that is not enough, we find that the Export Development Corporation, which is the subject of debate from time to time here in the House, has again indirectly helped Inco to the tune of another \$75 million for the development of mines in places like Indonesia and Guatemala. Here is a large company with a lot of assets, a great deal of skill, much experience in world and Canadian markets, which has been given literally hundreds of millions of dollars of taxpayers' money, which has been given roughly \$10 million more in the latest budget of the Minister of Finance, and which almost simultaneously has laid off some 4,000 Canadian workers.

Now I turn to the third of the four examples I wish to use. I refer to Northern Telecom, a subsidiary of Bell Canada, which received some \$3 million in economic gifts very recently as outlined in the statement read by the Minister of Finance. At approximately the same time it laid off some 1,000 workers in plants throughout Ontario and Quebec. But poor Northern Telecom, Mr. Speaker, increased its assets in Canada from \$363 million in 1970 to \$705 million in 1976. It received this additional \$3 million in gifts from the Minister of Finance and has been laying off some 1,000 workers in the provinces of Quebec and Ontario.

Then we come to Noranda, my fourth and final example, in this debate. Noranda started off in its present form in 1922. By 1970 it had accumulated assets of more than \$870 million. Again, we see more than a doubling of its wealth to some \$1.9 billion in 1975, reaching over \$2 billion by 1976. But Noranda, which has received some \$86 million in deferred income taxes, a gift from the Canadian government, received an additional \$5 million in the budget announced by the Minister of Finance last month. Shortly thereafter, the company laid off some 500 workers in four mining communities in Canada and is presently threatening to lay off another 1,700 workers in the Gaspé region of Quebec.

The four examples I have given are those companies which have received huge tax concessions and numerous gifts in the past from the government of Canada in order to promote an economic climate in which they would hire workers and improve the economies of the areas in which they are located.

In all cases we have seen these companies not only failing to expand their operations but, indeed, laying off workers. In all cases we have seen these four companies receive, as a result of the budget we are discussing today, additional gifts and tax concessions from the government of Canada. I suggest that this type of hand-out to large companies is not the way to increase employment in our country; it is not the way to stimulate the economy. In fact, these hand-outs have had very