

The Budget—Mr. C. Cameron

path toward solving the problem of the usefulness of human beings in modern society.

It is true, I acknowledge, that the minister is proposing to place a curb on business investment. I would imagine the minister took one hesitating, rather timid look at what they are doing in Sweden and that he felt he had to do something of the same sort. Of course, the difference is so great that it is not merely a difference in degree but a difference in kind between what the minister is suggesting and what the Swedish authorities have instituted for several years past. In that connection let me say, Mr. Speaker, that while I think the 5 per cent refundable tax is a very faltering step, if it is the forerunner of more decisive action in this field it is to be welcomed.

I noted with interest the position of the spokesman for the Progressive Conservative party when he protested against business having to relinquish \$250 million, on which it is going to draw 5 per cent, without a word being said about the \$140 million that is going to be taken out of the taxpayers' pockets for which they will get no return and no interest.

An hon. Member: It has to be paid.

Mr. Cameron (Nanaimo-Cowichan-The Islands): It has to be paid. I thought that what the spokesman for the Progressive Conservatives said was very interesting because it indicates clearly the concern of the Official Opposition with a certain section of our society. To take money from business is, of course, the ultimate sin for Conservatives.

Let us compare what the minister is doing with what they are doing in Sweden. I have here a copy of the Harvard Business Review, which outlines the Swedish program. We find there that any Swedish corporation may allocate, at its own discretion and with no necessity for government permission, up to 40 per cent of its pre-tax income to an investment reserve for economic stabilization. The amount so set aside is a deduction from income for purposes of income tax. In every case 40 per cent of the amount allocated to the investment reserve must be sterilized by deposit to the corporation's credit with the Riksbank, the Swedish central bank. There is no sterilization of the remaining 60 per cent of the investment reserve. It must be charged on the books as a reserve but it remains in the corporation's hands as part of its working capital, similar to a reserve for depreciation or for bad debts.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

The important part is this: While no government permission is required to allocate funds to the reserve, control over the taxpayers' reserve is largely in the hands of the government. Control is not exercised by the revenue administration but by the Labour Market Board, a government agency, whose primary duty is to combat unemployment. I would assume, Mr. Speaker, that that board has before it the results of the sort of survey that this government has never done. I would imagine that the Labour Market Board of Sweden has a very clear idea of the skills required in every part of their society, most of which they have today achieved.

In our own instance what do we have? We have a 5 per cent refundable tax on which we are going to pay 5 per cent interest. It is not going to have any flexibility as to the time of release. The minister must release the money at the end of 18 or 36 months regardless of the state of the economy. In fact, as a weapon for stabilizing investment it would seem to me to be of very minor effect and of minor use.

It may be, as I say, that it is one first, faltering step in the direction of rational control of investment programs and policies of Canada. If so, it is a very timid one. I suggest to the minister that he should perhaps borrow from his predecessor some of his rashness, some of his panache, and I suggest that he take bolder steps in that direction.

I have noticed that the minister has boasted, not merely on this occasion but on other occasions, that we are enjoying the longest period of economic expansion in our history. No doubt we have almost reached the new millenium. Perhaps we have. If that is the case, then we have a grim outlook before us.

An hon. Member: Hear, hear.

Mr. Cameron (Nanaimo-Cowichan-The Islands): We have a grim outlook before us when in a period of unexampled and unprecedented economic expansion, 25 per cent of the people still are categorized as living on the borderline of poverty, when we have still 365,000 unemployed persons, when the old age pensioner is receiving \$75 a month. A retired civil servant telephoned me today to tell me of the plight of a friend of hers, also a retired civil servant, whom she found living on shredded wheat for a week waiting for the pension cheque to come. If this is what the longest unprecedented sustained period of economic expansion gives us, then I say the outlook is extremely grim, and I say that we