

*Income Tax*

This refers to a former minister of finance.

—was persuaded to give the controls program a chance, and after nearly two years, had been saying that a decontrol program was coming.

Instead, we know that the former Minister of Finance left. The article continues:

The Liberal party was divided on the introduction of controls and is now divided on their end. Why else did Turner resign, and . . . call for the end of controls when it is obvious that his party wanted to maintain them? Why else did Macdonald resign after making positive statements about a decontrols program?

The article continues, comparing the differences between this party's proposed controls program and that imposed by the government. It points out that the then leader of the opposition, realizing the devastating effects of inflation, proposed a temporary three-month freeze on wages and prices and even on imported goods in order to break the inflation psychology. This would have given the government time to change its spending habits. The article goes on:

Stanfield knew that controls would not stop inflation (look at inflation in the past two years!).

In fact, although many people say they like controls, prices today are rising faster than wages, just as they were in 1974.

I think I can do no better than read a little more of this article, Mr. Speaker, which is quite a good one. It continues:

The government's policies have undermined the confidence of the private investor in Canada.

We have been telling them that you cannot have people investing without confidence. It goes on:

With little new investment, few jobs are being created, unemployment is rising, the dollar is failing, and government overspending is rising. (The deficit this year is projected—

At that time it was \$6,500 million, which was overspending by about \$650 for every individual Canadian taxpayer. To return to the article, it reads:

After nearly ten years of Trudeau's administration Canada has the worst economic outlook ever, the highest unemployment in history, and the most divisive atmosphere in memory. The man who said he would "wrestle inflation to the ground", and that "separatism in Quebec is dead", cannot now be seen as the "saviour of Canada". Even the PQ's Jacques Parizeau has described Trudeau as the cause of separatism.

Now he is holding himself out to be the saviour. As far as the present Leader of the Opposition and others in this party are concerned, I will again read from the article as follows:

Joe Clark has been repeatedly urging the government to take steps to turn Canada's economy around. Clark has stressed the need for reduction in government spending, in government interference in the private sector, and in the rate of increase in the money supply. He knows that inflation is caused in Ottawa and can only be solved in Ottawa.

There is nothing in this tax bill or in the economic statement that is going to do anything about these ills. I do not know what the government thinks the role of the official opposition is, but they certainly do not pay it any heed. Again referring to the article, it says:

Progressive Conservative policy is for government stimulation of the economy through incentives to business, particularly small business.

Mr. Speaker, we have heard the government speak of personal tax cuts, and the Minister of Finance seems to be very proud that he has given the opposition what they want, a tax

[Mr. Clarke.]

cut of \$100 for the average taxpayer. That is \$600 million in total for the country. But the Economic Council of Canada believe that the economy needs a boost of \$3 billion.

**Mr. Chrétien:** You have just said we have too big a deficit. Try to reconcile the two.

**Mr. Clarke:** Mr. Speaker, the Minister of Finance shows his inability to reconcile economic facts, just as much as the Prime Minister is unable to reconcile separatism facts. If the government stimulates the economy to the extent of \$3 billion, they will get it back double and the budget will balance itself. The government does not give that a chance. If we stimulate the economy, we will find new jobs, new confidence in the business community. The jobs will go to the unemployed, who will no longer be a drain on the unemployment insurance fund. I hope the Minister of Finance will listen, because he seems to have missed the point that the people on unemployment insurance will become taxpayers. That is how he would balance the budget. On the one hand, he would no longer have to pay out large unemployment insurance benefits, and on the other the new unemployed would be contributing to revenue.

I would refer the minister to the United States where, in an unprecedented move 13 years ago, huge personal tax cuts—about \$11 billion—were given in order to get the economy going. At the end of the taxation year it was found that the revenues were balanced exactly. The \$11 billion came back in additional personal taxes either from higher incomes or from new taxpayers. I do not know what involvement the minister has with the Economic Council of Canada, but I think he owes it to himself and perhaps to the taxpayers of Canada to refer to their booklet and see what they recommend.

The other way this government seems to tackle the problem is by little "gritty" give-aways—\$100 million for this or \$150 million for that. And, of course, it goes to the right part of the country: we would not want anybody who does not support the Grit party to get any of these little "gritty" grants.

**An hon. Member:** What about Alberta?

**Mr. Clarke:** I do not know about it, but I can certainly tell the hon. member opposite about British Columbia.

**The Acting Speaker (Mr. Ethier):** Order, please. Any hon. member seeking to be recognized should stand and have the Chair recognize him.

**Mr. Clarke:** Mr. Speaker, it is obvious that the hon. member opposite who did not want to get to his feet is only familiar with some part of eastern Canada. I can tell him about the last Canada Works program in British Columbia, where nine of 23 ridings got the minimum amount of \$100,000. I wish the Minister of Employment and Immigration were here; perhaps he could explain why those nine ridings—eight of which are held by the opposition—got only the minimum amount, while the riding of the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) got \$4.5 million—45 times that amount. The riding of Coast Chilcotin, a Grit riding in British Columbia, got over \$2 million.