

January and February. We hope to be ready very soon with a tax credit for the private sector in order to create more jobs. I hope I will be able to make a statement on this program before the end of the year. Unfortunately, it has been difficult for me to work on that program because I have had to be in the House for the last four weeks on a daily basis.

Mr. Crosbie: Why don't you do away with parliament?

UNEMPLOYMENT—EFFECT OF TAX INCENTIVES FOR INDUSTRY

Mr. Edward Broadbent (Oshawa-Whitby): Has the minister read the report which was published in the business section of the *Globe and Mail* three days ago? The minister should be familiar with this report. It points out that the utilization rate of Canadian industry is at the lowest level it has been in five years, which means that the kinds of incentives the minister is proposing are the wrong incentives at the wrong time because we are operating at only 83 per cent capacity. If he has read the report by a business group, does he agree with it, that the problem right now is under-utilization? If it is the problem why does he not scrap the silly bill that is now before the House and put that money into the economy directly to create jobs?

● (1427)

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, the budget proposition is twofold. One portion is related to giving a reduction in personal income tax for the lower and medium income people who will be spending the money, and the other is the tax incentive given to corporations to invest. Of course, if they are not investing they will not receive the incentive and if there is no incentive, they will invest less. I think it is quite important to leave the incentive there so that they can plan for the expansion that will come as soon as the economy starts to pick up again.

UNEMPLOYMENT—PROPOSED WINTER CAPITAL WORKS ASSISTANCE PROGRAM TO ALLEVIATE PROBLEM

Mr. Edward Broadbent (Oshawa-Whitby): I would be glad to send a textbook on first year economics to the minister. It makes no sense at all for a businessman to expand if he already has excess capacity. That means the whole government's program is bankrupt.

Will the minister now accept the proposal made by virtually every premier representing all political parties when they met a short time ago at St. Andrews? They suggested the federal government bring in a special winter capital works assistance program for the municipalities which will be at least up to the level of 1971-72 when unemployment was lower in Canada. Will he bring in that kind of a program now that will provide some spending money and create jobs instead of handouts?

Hon. Jean Chrétien (Minister of Finance): We have an important proposal as an alternative plan called Canada Works and Young Canada Works which will put a lot of people to work. It was decided these programs worth \$600

million would enable people to get back to work faster than the route the hon. member is proposing.

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[Translation]

MANPOWER

MEASURES TO SETTLE LAY-OFFS IN QUEBEC AND FALCONBRIDGE MINE

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, in the absence of the unemployment minister, because it is becoming more and more difficult to call him Minister of Employment and Immigration, my question will be for the Acting Prime Minister. Contrary to what he said a moment ago in his answer to the hon. member for Joliette, that employment had risen in the province of Quebec, statistics revealed this morning that 50 per cent of the working force was at work, the same as in November, but that on the other hand the unemployment rate was now 10.5 per cent in the province of Quebec compared to 10 per cent last month. In view of the steps which have been taken last month by the government and which are not giving positive results but only negative results as we can see from this morning's reports, in view of all this, I will address my question to the Acting Prime Minister.

In view of the fact that, following the excellent arrangements made by the government, the Falconbridge Company has announced 600 more lay-offs, is the minister prepared to maintain the same negative and passive attitude the government has shown in the case of the 2,800 lay-offs by INCO? If not, what is the government prepared to do immediately to solve this problem of lay-offs in Canada?

[English]

Hon. Allan J. MacEachen (Deputy Prime Minister): In connection with the hon. member's comments on the province of Quebec, it ought to be pointed out that while the situation is serious in that province, the seasonally adjusted unemployment rate for November is precisely the same as it was last month while there has been an increase of 9,000 in total employment. Although the situation is serious, there is no advantage in trying to make it more difficult than it is.

In reply to the hon. member's question, I do not accept the premise that the government has taken an inactive role in the problem that arose in Sudbury.

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[Translation]

INCOME TAX

REQUEST THAT FALCONBRIDGE MINE BE FORCED TO PAY DEFERRED TAX

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, I would like to ask a supplementary question. Considering that the Acting Prime Minister does not accept the fact that the government did not do anything positive, that it remained passive, I would say to him, if we could obtain intelligent