

*Income Tax*

Have ministers delineated those sectors and examined them? Is the mini-budget they presented in Bill C-11 designed with that sort of analysis in mind? No, it is not, not at all. It is just dropped in a vacuum because they have to win back the corporate sector in terms of electoral support. There is an election coming up next spring so their bagman has to go around collecting money from the corporate sector.

The Postmaster General (Mr. Blais) has been tripping through northern Ontario. He is the guy who has to bring back three NDP seats. They had him tripping to INCO and Falconbridge, but nobody told him they are supposed to be in economic trouble and cannot contribute much. What this bill is doing is again giving \$1.2 billion to the corporate sector, with no kind of strategy. It is dropping that sum of money into a vacuum.

The Prime Minister said we must stimulate productivity. The manufacturing sector in this country is operating at only 80 per cent capacity, so why are we stimulating the economy to produce goods we cannot sell?

Coming close to home, a couple of weeks ago INCO laid off 3,400 people effective in February of 1978. Under Bill C-11 INCO will get \$10 million to stimulate productivity. I suggested that they should stockpile nickel, but the Prime Minister said that stockpiling is not the answer because one has to sell the nickel. But I ask you, will giving \$10 million to INCO help sell the nickel that is stockpiled now? If it would help sell nickel, I would give them \$40 million so we could keep the jobs. But I know it will not sell the nickel, and yet INCO will take the \$10 million.

Here we have a government that will hand out \$1.2 billion in complete isolation, regardless of whether those sectors need the stimulation or not. Everybody gets it, it is *carte blanche*, it is a blanket approach which has not worked in the past, will not work now, and in fact will never work.

The problem raised by the INCO lay-offs is very important because it brings into focus the problems with respect to the economy of Canada, it brings them effectively into perspective. Here you have a resource economy. You have here a country that has depended for a long time on taking resources out of the ground and selling them. We have never looked on the resources of Canada as the key to unlocking greater sources of wealth. I see here the hon. member for Don Valley, the man who made a great speech in Toronto and said we should not be ashamed to be known as hewers of wood and drawers of water, and we should sell those resources.

**Mr. Gillies:** I never did.

**Mr. Rodriguez:** That was the Gillies give-away stand. We have never looked at those resources as the key to unlocking greater sources of wealth for our country. What we have done with the handouts and tax concessions given to companies like INCO is to speed up exploitation of the resources in the ground. This is called high grading. They have taken the highest ores out very quickly and made money. Then they move beyond the borders of Canada and establish what is

called in the corporate world, "market dominance" in other ores, especially lateritic ores.

● (2122)

I recently appeared on the "Sunday Morning" CBC radio program with the president of Noranda, Mr. Alfred Powis. He said that if INCO had not gone to Indonesia and Guatemala some other country would have gone, and asked me if it was not better that INCO should go. I was amazed to open a newspaper a few days later and see that same argument made by the Minister of Industry, Trade and Commerce (Mr. Horner). I relished the opportunity to respond to that type of question, Mr. Speaker. As I said to Mr. Powis, that is a legitimate goal for INCO. If I were on the board of directors I would want to establish market dominance in lateritic ores in Indonesia and Guatemala. But the question must be asked if that is a legitimate goal for Canada.

Does our government exist, does our tax system exist, does our economic system exist to give INCO, Falconbridge, Noranda and Alcan market dominance? Are we monkeys on the corporate string? I say we are not, and anyone in this Chamber worth his salt as a Canadian would say that is not acceptable. That has not been said, Mr. Speaker. Hon. members opposite have crawled and purred like tabby cats. When the catnip is whipped in front of them they purr and do not say anything to INCO.

Are the goals for INCO the goals for Canada? Are we saying what is good for INCO and Falconbridge is good for Canada? I say they are not. We have been caught, however, and have to continue giving them tax concessions because they hold a sword of Damocles over our heads and say they will close down completely if the tax concessions do not continue.

Just to point out how phony some members on the Liberal benches are, Mr. Speaker, I should like to refer to a speech made on behalf of the Minister of Indian Affairs and Northern Development (Mr. Faulkner) by the hon. member for Peel-Dufferin-Simcoe (Mr. Milne) in Yellowknife when he said:

It is clear from recent experience that anticipation of major projects is fragile footing for economic development. It is also the case that even when a major project does proceed, local benefits may be few or the local economy ends up dependent on a single economic activity. Look at Sudbury today or the Yukon during the Anvil strike and you'll understand what I mean. For the long term development of a northern economy, we must avoid hanging our hopes solely on the development of non-renewable resources.

The Liberals have been selling out this country for the best part of 50 years and this member admits it. They have sold us down the drain. Their policy depends on the exploitation of our non-renewable resources without any concept of how that policy fits into a national economic plan or strategy. A national economic plan is the first thing we have to look at, and then consider the role of resources within that strategy.

When INCO came to Canada it was the last of the J. P. Morgan enterprises that was not broken up. He moved the operation to Canada in 1928 because at that time the United States government was starting to break up monopolies. He is reported to have said that Canada was a sanctuary from high taxes and the threat of anti-trust. *Forbes Magazine* could have