

helped to destroy Canadian jobs. The federal tax credit on machinery and buildings have saved Inco \$17½ million in profits. The provincial sales tax exemption which became effective in April, 1975, saved Inco approximately \$25 million in the two years, 1975 and 1976. The federal Export Development Corporation has loaned Inco \$70 million to help finance its ventures in Guatemala.

● (1422)

The interest rate is kept a secret, but we know it is below the commercial rate: it is probably below 6 per cent. Inco pays its workers in Guatemala \$6 a day, and in Indonesia the workers are paid \$6 a week, so it is not surprising the corporation would try to develop its nickel production in other countries to avoid paying wages which workers have been able to persuade or force the company to pay here in Canada. Inco benefited further through fast write-off provisions to the extent of some \$48 million in 1976. Yet the government proposes to continue to make tax concessions to corporations which will cost the people of Canada \$1.2 billion this year.

The lay-offs at Inco are not an isolated case: Falconbridge has announced lay-offs; Noranda has announced lay-offs. It is estimated that in the coming year up to 20,000 people will be laid off in the mining industry in Canada. I would remind hon. members that this is a section of the economy which since the end of the Second World War has received concession after concession to persuade corporations, mainly multinational in character, to invest money in Canada. We have had very little thanks in return from these corporations, which are not interested in providing jobs in Canada as much as they are interested in making profits. As is evident now, they realize it is easier to make profits outside Canada than inside.

Perhaps the most serious aspect of the unemployment situation is the high rate of unemployment among our youth. Almost 50 per cent of our unemployed at the present time are in the age group 15 to 24, despite the fact that we have spent increasing amounts of money year after year to keep our young people in school, to persuade them that, having finished high school, they should go on to trade schools, community colleges or universities. The prospects for our young people are distinctly gloomy. The jobless rate for those of university age, 20 to 24, was 10.8 per cent, and for those between 15 and 19—in other words, for those leaving high school—it was 19.2 per cent.

I do not think I can be as graphic in describing the plight of the young unemployed as was the Minister of Employment and Immigration (Mr. Cullen) who the other day gave a striking illustration before a conference on youth employment sponsored by the Canadian Council on Social Welfare. He reported that in response to an advertisement for someone to fill a vacancy as a warehouse foreman, 45 applicants came forward seven of whom held Master's degrees in business administration. Could there be a more compelling comment on our failure to deal with unemployment than the fact that seven people who spent five or six years after high school getting a

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university education should find the job situation so bad that they would be willing to take work as a warehouse foreman?

What is the position presently taken by the Minister of Finance? I suggest the minister is completely at a loss as to what to do. The *Globe and Mail* of October 24 carried a short summary of comments and suggestions made by the minister during the preceding weekend. I should like to refer to just two paragraphs from that story to show how confused the minister must be. The dateline is "Ottawa, CP Special," and the first paragraph begins, "Canadians should spend more and save less."

In other words we are in trouble because instead of going out and buying products made in Canada, which would then need to be replaced, thus stimulating the manufacturing sector, Canadians are putting too much of their money into savings accounts in banks or credit unions, or buying government bonds, and so on. A few paragraphs later, in the same story, the Minister of Finance is quoted as follows:

The Canadian worker must lower his expectations and start living within his means.

If I understand anything about living within one's means, the implication is that one must live strictly within one's budget, avoid purchasing goods on credit where possible, and so on. It seems to me the minister is telling people they should not spend everything they make, that they should not buy things on credit, and that they should save money.

Mr. Speaker, he cannot have it both ways: he cannot be right when he says both, that we are saving too much and that we are living beyond our expectations. It appears to me that the minister and his advisers have not really thought out their policies. The Economic Council of Canada issued its annual report a few days ago. I would remind hon. members that the Economic Council was set up by the government of Canada to study the economic situation, to present an annual report and to give advice on the state of the union and on what we should do to make things better.

I would remind hon. members, further, that originally, when the Economic Council was set up, it included representatives from labour, from agriculture, from industry, from the universities, and so on. Some time ago the labour members resigned from the council because of dissatisfaction with the government's anti-inflation program. So this year's report has been made by a council on which there are no labour members, no small "l" liberals, no people who are on the left.

I will just read a few of the names into the record so that members may confirm what I am saying: Ian Andrew Barclay, chairman and chief executive officer of British Columbia Forest Products Limited; S. Robert Blair, president and chief executive officer, Alberta Gas Trunk Line Company; J. A. Brown, dean of agriculture, University of Saskatchewan; Roy Fraser Elliott, Q.C., partner in Stikeman, Elliott, Robarts and Bowman, Toronto; James A. McCambly, building and construction trades department, Ottawa; A. M. Runciman, president, United Grain Growers Limited, Winnipeg. I can attest to the fact that Mr. Runciman is not a very radical person, and I know I am being conservative in saying that.