

Employment Incentive Programs

debater; and he is also, I think a confused debater. I say this for a number of reasons. He seems to find difficulty coming to terms with the tax reduction afforded to the manufacturing industry. On one hand he suggests we advance it to July 1, in a few days time, because industry needs the stimulation at this time as a result of concern about consumer demand. Well, Mr. Speaker, I have shown how weak, false and transparent his position is in that respect.

He then went on to say he was not sure whether there should be any tax reduction accorded to the manufacturing industries. He thought we should in some way allocate the funds associated with this reduction to the manufacturers on the basis of the number of jobs created. I ask the hon. member whether he is not taking a leaf out of the NDP book and suggesting a massive exercise in government intervention in the course of which auditors would go in to check the number of persons employed by a company on one day, and the number employed on another day. Perhaps that is what he wants—a job creating bureaucracy.

Mr. Douglas: You could not get a bigger bureaucracy than the one you have already.

Mr. Hees: It would be very simple.

Mr. Gillespie: The motion reads:

That the House regrets that expenditures for incentives programs have failed to stimulate production and trade in Canadian goods and services and to open increased opportunities for productive employment to Canadians.

I submit this motion is based on three false premises. The first is that incentive programs are expenditures which should be considered in the light of an instant response—that one should expect an immediate pay-off. Surely, on reflection, hon. members on the other side will realize that incentives are an investment in the future.

Mr. Hees: I have been waiting for four years and nothing has happened.

Mr. Gillespie: I will give you the figures. The hon. member for Prince Edward-Hastings had a lot to say about export figures. He seems to forget that when his party was in power between 1957 and 1962, we were running deficits on our trade accounts in the first four years; there was a small surplus in the last two. But in every year save one since the Liberals took over the surplus in the trade account has been greater than in the best year under the Conservatives.

Some hon. Members: Hear, hear!

Mr. Gillespie: In 1970, this country had a trade surplus of just under \$3 billion, roughly 15 times as great as the best single year under the administration of which the hon. member for Prince Edward-Hastings was a member. He had the nerve, I thought, to suggest that what this government should do is to mount an export drive, and at a time when the figures show clearly beyond any doubt that this government and previous Liberal governments since he was minister of trade and commerce have had surpluses on trade accounts unparalleled in the history of this country. He took a short-sighted look at incentives, as

[Mr. Gillespie.]

if today's incentives are going to produce something big tomorrow. Everyone who knows what an incentive is and how it should operate knows that it takes time for incentives to work. It is a seed which is planted and then flowers. It is not improved by the use of a watering can in times of drought.

• (1620)

I was reminded of the story by Robert Townsend in a book which perhaps some hon. members have read called "Up the Organization!", in which he referred to the impatient younger executives with whom he had come in contact. He liked to describe their particular actions as rather like the actions of a man who pulled out the flowers to see how the roots were growing. In a major way I think that is the attitude that the Conservative party has taken to incentives. They are not prepared to see the incentives go to work as seed that is planted and then grows.

The second false premise, I submit, is that somehow or other incentive programs operate in a vacuum, that they are separate from all other government policies, that they are separate from tax policies or from in-plant training policies, that they are separate in some way from vocational training or from monetary policies. I think the opposition party has misjudged the nature of incentives and how they work alongside other policies. Some of our incentive policies are aimed at regional disparities—the question of location of employment. Some are concerned with modernization and the question of scale. Some are concerned with new technology and new products. Some are concerned with new markets. All of these incentive programs are aimed at sharing the risk with the manufacturer, in line with a national objective.

There are also incentives policies with respect to savings, and in this regard I should like to refer to some remarks made last week by the Minister of Finance (Mr. Turner) to the Investment Dealers Association at Winnipeg. He said:

While we frequently hear voices complaining about an alleged lack of sufficient incentive for saving in this country, the fact is that the proportion of savings by Canadians is extraordinarily high. During the latter half of the 1960s, total savings in Canada averaged 24 per cent of national income, compared to 18 per cent in the United States and the United Kingdom during the same period. In 1971 alone, personal savings increased by more than 25 per cent and the assets of our major financial institutions rose by 13 per cent.

I mention that only because savings is one aspect of incentives. Others on the government side will deal with our incentive programs in the course of this debate.

There are three other matters I should like to touch on with respect to what I have described as the false premises in this particular motion, one that might best be described as being the wrong subject chosen for the wrong reasons at the wrong time. The motion refers to the need to stimulate production and trade as well as employment. First, let me deal with the premise that employment opportunities in Canada have been sluggish, which I think was the word one or two members opposite used. Surely by now hon. members opposite must know that this government has a record that is second to none in the world when it comes to job creation. More jobs have been created in Canada during the last three years, in relative terms,