

There has not been an improvement. If you take the average unemployment rate for 1982, the depth of the recession, it was 11.1 per cent in that calendar year. In 1983 that rate rose to 11.9 per cent. These are Statistics Canada figures which were released in January of this year. We see for the last quarter of 1983 the unemployment rate remaining static at 11.1 per cent and actually rising in January, 1984 to 11.2 per cent. All this was happening at a time when unemployment in the United States, year over year, month over month, was actually declining. In 1983 over 1982, unemployment in the United States actually fell by 2 percentage points. In every month of the last quarter when unemployment in Canada was locked in at 11.1 per cent, unemployment in the U.S. kept coming down one or two points to the stage where it is now at 8 per cent, and it will probably break the 8 per cent rate in the figures to be released next month.

• (1210)

I am afraid, indeed we are afraid, that the Minister of Finance will rise tomorrow and talk about economic recovery. He will talk about how the economy is growing. He will boast about how successful his policies have been in bringing down the rate of inflation. In the process he will forget the fact that the seasonally adjusted 11.2 per cent of the work force unemployed at the present time represents 1,400,000 Canadians without jobs. Included in that figure are two groups of particular concern, the two groups that have been hardest hit by the recession and indeed are being hardest hit by the structural change which is taking place in the economy as a result of the technological revolution brought on by the microchip. These are young people who seem to be permanently unemployed, because the figure has stabilized at around 18 per cent to 20 per cent over the last 15 months. We are told by the OECD that that will continue in the next two years. The other group is the older, middle-aged worker who faces the problem of having to undergo retraining in order to cope with technological change and at the same time has to face the prospect of moving elsewhere in the country, if indeed there is any hope of finding a job.

These are the two groups that are being left behind. It is morally irresponsible to talk about economic recovery when we have these unemployed people in Canada, when we have a lost generation of over a half a million young people without jobs for the past two years, and when we have this middle-aged group of males, heads of families, who are the hardest hit and represent some of the most chronic, long-term unemployed without job prospects. This is why we believe there should be a refundable tax credit in the Budget tomorrow. It is not a new idea. It has been tried before, and it has been tried successfully.

I would like to refer to the 1982 publication of the Economic Council of Canada entitled: "In Short Supply—Jobs and Skills in the 1980s". In terms of the employment tax credit, its recommendation 11 reads:

We recommend that the federal Government institute a short-run direct employment creation program in the private sector, based on the employment

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tax credit system and targeted at those groups who bear a disproportionate burden of unemployment.

Then it went on to back that up by referring to our brief experience in the past with the refundable tax credit. At page 107 we see:

As for the scale of the program, we note simply that in its last year the ETCP provided roughly 50,000 jobs at a cost of about \$100 million.

We are talking about permanent jobs. We are talking about revenue-creating jobs, because these people will be returning money to the exchequer in the form of taxes.

Let us compare that with the Government's NEED Program for the same year. The NEED Program is rather interesting because it was designed to help probably the most pathetic of the unemployed, the so-called exhaustee or the person whose unemployment insurance benefits have expired. It was built around providing a short-term job just long enough in duration to enable the person so employed to qualify for unemployment insurance. The NEED Program created 40,000 jobs from 1982 to 1984 at a cost of \$500 million. Here we have the refundable employment tax credit scheme producing 50,000 jobs at a cost of \$100 million. That is taken from a report of the Canada Employment and Insurance Commission of June, 1983.

If we take a look at the total direct job-creation programs of the federal Government for fiscal year 1982-83, we see 215,000 jobs created at a cost of \$609 million. The point which has to be emphasized is that these are short-term jobs with a duration of anywhere from 12 weeks to 16 weeks. What we want are permanent jobs. Our people who are unemployed want permanent jobs. That is the substance of our amendment.

It is interesting that the Economic Council of Canada came back to it again in its 1983 report, the Twentieth Annual Review entitled "On the Mend". It talked about recovery and about the problem of unemployment as well as the danger of the unemployed being left behind. Essentially it repeated what it said in its recommendation. Page 104 reads:

Such a program would not be new; it has already been tried in many forms, both in Canada and elsewhere. The principal target population of the program would be those who bear a disproportionate share of the unemployment burden, particularly the long-term unemployed.

Again it recommended to the Government that it bring in a refundable job-creation tax credit. We are in fact committed to the proposition—and we agree with the Minister of State for Finance—that the private sector and that part of the private sector known as the small business sector have the greatest potential to produce jobs, not only to produce jobs but to produce permanent jobs.

Another area of the NDP motion deals with what I believe to be one of the most scandalous, sleazy, reprehensible, partisan abuses which the country has seen in this Parliament for a long time. I am talking about the slush fund or the porkbarrel which has been the subject of questions in the House for the last week or so. Let us take a look at the genesis of that program. It first emerged in the June 28, 1982 Budget of the Secretary of State for External Affairs (Mr. MacEachen). At that time it was known as the Immediate Employment Stimulation Grants Program.