

Employment Tax Credit Act

plastics industry, all of which have as their major customer the automobile industry.

It has been estimated that in Ontario one in ten workers work in plants directly or indirectly involved with the production of automobiles. When that industry goes into the kind of crisis it is facing now, we can expect even more lay-offs than we have had up to the present time. What is true of the automobile industry is also true of the construction and forest products industries.

Housing starts are down. In most parts of Canada the building of commercial property has virtually ceased, as has the building of industrial plants and factories. All of these fields are in a period of slow or no-growth which, of course, means more lay-offs than we have had.

What is the answer of the government to the major crisis facing it with almost 1.5 million unemployed and 40 per cent of the unemployed being young people aged 15 to 24? What is the answer of this government? Well, I will come to the answers which we did not get from the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) a few nights ago, but let me first look at the comments of the Minister of Employment and Immigration (Mr. Axworthy) who introduced the bill we are now discussing. A few days ago he was reported, in an article entitled "Job-Creation Programs Will Centre On Young, Women, Handicapped" which appeared in *The Globe and Mail*, as follows:

Employment and Immigration Minister Lloyd Axworthy says a job-creation package to be introduced in three to four weeks will contain measures to prepare high unemployment groups—women, young people, the handicapped—to meet skill shortages in the labour market.

Then the article continued:

Mr. Axworthy refused to say whether the Liberal government would spend more on job creation than the Tory government, but suggested it would not, stressing that Liberal programs would use funds more efficiently.

I am not being critical, but if the private sector is not creating new jobs and, indeed, is reducing the jobs it provides, then there will be more unemployed. The private sector only produces when it sells its products and makes a profit. I am not critical of them; that is why they are in operation. If the private sector is not going to provide more jobs in the coming year, and the public sector is not going to put more money into job creation, then obviously we are going to have much more unemployment in the coming year than we had last year and the unemployment rate will go up substantially.

● (1750)

A few days ago we had what was really a budget speech smuggled into the throne speech debate by the Deputy Prime Minister and Minister of Finance. What did he say? We know what he did not say. We know that he ignored all the promises made by members of his party, including the Prime Minister (Mr. Trudeau), and the Minister of Industry, Trade and Commerce (Mr. Gray) when he was the financial critic for the Liberal party in opposition. He ignored all the promises they made while in opposition, and by his silence he poured cold

water on the implications of all those promises they made in opposition.

Let me illustrate that my judgment of what the minister said in his speech of a few days ago is not just criticism by a politician in an opposition party, which I am. Columnists who write about what goes on in Parliament and analyze what members of government say, were unanimous in their judgment that the minister had nothing but gloom and doom for the coming year.

Wayne Cheveldayoff stated in *The Globe and Mail* of March 27, 1980, reporting on a study issued by the Conference Board:

Because of the U.S. economic slowdown, Canada's economy will show no real growth in 1980, the board . . . says in its regular quarterly economic forecast.

As a result, employment growth will slow down and unemployment will rise from the latest monthly rate of 7.4 per cent.

It will probably be more than that; probably over 8 per cent. The article continues:

On the inflation front, the worsened U.S. trend will spill over into Canada and the year-to-year rise in the consumer price index, currently less than 9.5 per cent, will rise to 10.1 per cent by Christmas. For 1980 as a whole, inflation will be 9.7 per cent, up from 9.1 per cent last year.

The board believes this forecast to be a minimum because it has assumed a \$1-a-barrel rise in the wellhead price of oil later this year. If oil prices rise faster, so will the inflation rate.

I am sure, as I am sure every member in this House is, that oil prices will go up more than we have calculated.

Don McGillivray in the *Financial Times*, April 28, 1980, wrote:

Finance Minister Allan MacEachen revealed last week that the economy is in worse shape than when the Crosbie budget came down last year—and the Liberals have even fewer clues than the Tories about what to do to improve it.

Then he goes on to write:

It is obvious, of course, that a September budget—

He is assuming, on the basis of what the minister has already indicated, that we will not get a budget until next September. The article states:

—a September budget will do little to change the adverse economic projections made by MacEachen. Since December, the finance department's forecast for economic growth in 1980 has been cut to a stagnation level of 0.5 per cent from 1 per cent.

That 1 per cent had been previously calculated. David Crane in the *Toronto Star* April 22, 1980, writes:

Our economy is headed for tough times, with both inflation and unemployment getting much worse during the next few months. This was the grim message Finance Minister Allan MacEachen delivered in his surprise economic statement in the House of Commons last night.

What he didn't tell the country is what he intends to do about it, or even when he plans to come up with a budget that spells out his economic strategy.

Later he writes:

Turning to the grim state of the economy, MacEachen said there would be virtually no growth, probably just 0.5 per cent this year, while unemployment would average 8 per cent and the consumer price index would rise 10 per cent.

Then Mr. Crane goes on to state substantially what I said a few minutes ago:

Many sectors of the economy will be weak. These include: Export industries such as lumber, mineral products and autos; residential construction, which has been dealt a solar-plexus punch by high interest rates; government spending on