

Income Tax

productivity. It is quite evident to anyone involved in any manufacturing process, or in any business at all, that if productivity had remained static over the centuries, man would never have emerged from the Stone Age. The only time we make any social progress at all is when we have a gain in productivity. We just cannot have a social gain unless there is an accompanying, equal gain in productivity.

The government employs more than 2,000 economists, I am told, and I understand that the Department of Energy, Mines and Resources has more than the Department of Finance. That may be explained away by saying that the quality is a little higher in the Department of Finance than it is in the Department of Energy, Mines and Resources.

Increases in productivity result from many factors. We hear people saying that Canada is far down the list with regard to productivity. They look at the OECD scale and see that we are tenth or eleventh behind a number of what we might call emerging countries, in some instances. However, there are many factors involved in productivity: capital, the quality of labour, the quality of organization and management, transportation, taxation, regulations and competition policy. All those factors are present when we consider productivity. If a business has difficulty getting capital and has to pay a high price for the capital it uses, whether it be working capital or investment capital, then that is going to be reflected in its productivity equation. When we look at this factor alone, we find that in the area of manufactured products, last year we had a trade deficit of about \$10 billion.

● (1252)

The best information I have been able to obtain so far is that the estimate is there will be a trade deficit of \$11.5 billion. If that deficit were in balance—in other words, if we did not have a trade deficit on manufactured products—we would be employing about 800,000 more people, which is about the number of people unemployed give or take 100,000.

I have talked to a great number of people in the manufacturing trade who asked what is going on in GATT. They want to know what we are doing at the GATT conferences. I would particularly appreciate it if the minister would take note of these remarks regarding GATT. When the hon. member for Rosedale (Mr. Macdonald) occupied the finance portfolio, I asked him about the GATT negotiations. His reply was not very complimentary, and I will not repeat it. It is in *Hansard*. I am not very pleased with what he said. The fact is that most people in the manufacturing trade do not know what is going on at GATT. Many have told me they are afraid they are going to wake up one morning and find they are no longer in business, that the tariffs that protected them have been taken away or altered to such an extent that they can no longer compete.

It is not a happy feeling to have invested in plant and machinery and to have expertise in marketing, and then find you are no longer able to compete because of imported products. The minister has talked about our trade deficit and balance of payments problems. There are two ways to alleviate

your balance of payment problem: one is to export more, and the other is to manufacture domestically more of the things you are going to consume. In other words, you export less.

There are two ways to attack that problem. We always seem to be talking about exporting more. Every time we do that, we seem to import more. No efforts have been made, that are evident anywhere, to establish a sound, solid, secondary industrial base in this country. In fact, a succession of ministers, in the years I have been in this House, have even questioned whether we can establish a sound secondary industrial base in Canada. Of course, it goes without saying that if we do not have this, we are certainly not going to be able to employ the growing number of people we have in this country. Therein lies another frustration.

In the few minutes left, I must tell a final story about a constituent of mine whom I met in my riding when I was home last week. He is a stationary engineer, in his fifties—around the age where if you become unemployed, it is difficult to get a job. Although people say they do not discriminate on the basis of age, in fact they do.

This man was ill for about a year, he had recovered and was having difficulty finding employment. He went to the Manpower office and saw a job listed there for a dishwasher. He asked the counsellor where the job was located, so that he could apply for it, because he just had to have something to do. The official said my constituent should fill out a form. The first question was, "Do you have any experience?" He replied, "I have been married for 37 years." That did not matter; they wanted to know if he had any professional experience in washing dishes, otherwise they would not recommend him for the job.

It all seemed rather silly. He asked if there was a training course to show him how to wash dishes, but there was not. He went home and looked in the yellow pages of the telephone book, under the "restaurants" section, and finally found the restaurant that was advertising for a dishwasher. He applied for the job and got it. That whole situation is a pretty sad state of affairs.

Mr. Speaker, when we get to clause by clause consideration of this bill, I shall participate in the debate. At that time I intend to raise several points of controversy in the legislation. With your permission may I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Ethier): Is it agreed that we call it one o'clock? If it is not agreed to call it one o'clock, I have another speaker, the hon. member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this country is facing the most serious crisis it has faced in peacetime since the early 1930s. Last month, on a seasonally adjusted basis, 886,000 people were unemployed—over 100,000 more than in October, 1976.

The Acting Speaker (Mr. Ethier): Order, please. It being one o'clock, I do now leave the chair until two o'clock p.m.

At one o'clock the House took recess.