

The Budget—Mr. Lalonde

and moderate income families, and for single parent families for whom the credit is of vital importance. Over the last five years the credit has gone up from \$200 to \$343 per child, evidence of the Government's continuing commitment to families with children, in this country.

Third, I propose to hold at its present level the family income threshold above which the Child Tax Credit begins to be phased out. For the current and subsequent taxation years, the threshold will remain at its 1982 value of \$26,330. Below this threshold, the maximum credit will be paid. Above the threshold, the credit will decline as family income rises. It will only cease to be paid for families with two children having a family income of about \$40,000 or more.

Finally, starting next year, I propose to keep at its current level of \$710 the tax exemption for children and other dependants under 18 years of age. This measure will complement the child tax credit changes by helping to ensure that limited Government funds are directed to the families that need them the most.

[Translation]

The net effect of these changes will be to increase federal support for lower income Canadians with children and for Canadians who have to incur child care expenses in order to work. In the current fiscal year, the changes will be roughly self-balancing. Over the following three fiscal years, they will result in increased Government revenues. However, I am not removing these monies from the social security system that provides important social benefits to Canadians. I am designating them as a special Social Policy Fund that will be used to reinforce social programs available to Canadians in need.

[English]

For recovery to be sustained in Canada, and for real growth of our incomes and our living standards to resume, we must raise our sights beyond the period immediately ahead of us. A broad national effort is required over the remaining years of the decade to make sure that Canada remains one of the most productive, competitive and prosperous economies in the industrialized world. Our major trading partners will continue to move forward. To remain competitive, Canada therefore has no choice but to move forward too. We must put our businesses and our workers in a position to meet and beat the competition.

Many people are under the impression that productivity gains cause unemployment. Nothing could be more wrong. In fact, strong and steady productivity gains sustain the growth of employment.

Our collective search for the means to improve Canada's productivity performance will be complex and difficult. Success will not come overnight. Neither business nor labour will get very far if either tries to move forward without the cooperation of the other. We will have to do it together. A national cooperative effort is required. And for such a national effort to have any chance of success, Canadians will have to set rhetoric aside and stop "scapegoating" each other.

We will not get ahead if we continue to blame each other for the problems we face. We should recognize, for example, that the concerns of the labour movement for working conditions, the quality and safety of the work place, the involvement of workers in what they are doing, and the possibilities for self-development offered to them, are entirely legitimate and can, if properly addressed, improve our productivity performance. By the same token, we should acknowledge that businesses do not invest in more efficient and cost-cutting equipment just to throw people out of work. We should recognize that productive investment sustains employment and that too little of it causes unemployment.

There will always be tensions between labour, business and Government. But that should not prevent labour, business and Government from cooperating to improve the productivity and competitiveness of the Canadian economy. This is the key to higher wages and better profits. More importantly, it is the best way, in the long run, to provide Canadians with the jobs they need.

NATIONAL CENTRE FOR PRODUCTIVITY AND EMPLOYMENT GROWTH

The Government, therefore, intends to consult with labour unions and business organizations over the next few weeks to launch a national drive towards higher productivity and employment growth. These consultations will focus in the short term on the establishment of a national centre for productivity and employment growth.

What we have in mind is not a research institute. Rather, it is a place where labour and business can meet, away from the bargaining table, to talk and to take a hardnosed and practical look at issues of mutual concern that cannot be addressed adequately in the course of collective bargaining. Experience has shown that it is not enough to study or talk about these issues. Nor can progress be mandated, legislated or bought.

To make progress, ways must be found of bringing action where action is needed—the plants, offices and boardrooms of the nation. This can only be done by practical people who know what they are talking about, workers and managers. It is that kind of practical experience that, we hope, a national centre for productivity and employment growth will bring together.

The Government will shortly consult with labour and business representatives to appoint a founding committee for the proposed centre. This committee will be asked to recommend within three months an appropriate designation, mandate, structure and mode of operation for the centre.

[Translation]

Madam Speaker, the Government's broad policy framework for recovery places a high priority on technology policy and support for research and development. It is of critical importance for our economic future that we increase our R&D effort and that we support the development of "sunrise" industries. We must also promote more actively the dissemination and application of technological advances in all sectors of the economy.