

Employment Tax Credit Act

Commons as a member of a team running around a very large pipe which is beginning to leak, sticking a finger in here and a finger in there, and I see no sign of any preparations being made to rebuild the crumbling foundations of the system over which those people on the other side have assumed management once again.

We are inserting ourselves at every point in this vicious circle in which we are involved, a circle which creates an inflationary mentality, a vicious circle which creates apathy and indifference on the part of so many people toward the political process, a vicious circle which destroys the confidence people once had in our ability to be one of the great nations of the world. In the bill before us we are inserting ourselves at a point at which we hope to subsidize, so to speak, the small and large businessman in his attempt to attract workers to work in his plant. There are other forms of subsidy. We can subsidize business and hope the price will stay down; we can subsidize labour and hope that its demands on the economy are less; we can subsidize consumers. It is a vicious circle, and here we are inserting ourselves once again into this whole scheme of things.

When we look around the world we wonder how we got ourselves into this mess. If I make reference to economies in other parts of the world I do so because that has become a favourite pastime among those on whom we rely to provide us with answers concerning these problems. It has become a favourite pastime to blame others for the problems we are facing. After all, they say, inflation has been imported—for instance, from the United States which has managed incredibly poorly lately—their inflation rate is higher than ours, they have an employment problem as well, and even their interest rates are higher. So, obviously, they are pushing their poor economic performance on us.

Yet I wonder why it is that other countries with whom we compete, such as West Germany, Switzerland, and Sweden, can manage a 4 per cent inflation rate, can manage without unemployment, can manage a 6 per cent interest rate. I wonder about these things because when one compares the situation of those countries with the incredible natural advantages we have here, it is mind-boggling how anyone could manage a country which is the second largest in the world so badly. Those fellows over there have managed to run our economy into the ground.

We cannot forever blame others. We have some very distinct advantages, for example, our natural resources and our well-educated manpower force—I want to talk about this later; the main theme of my speech has to do with manpower training. The capital resources of this country are almost unbelievable, but the party across the way has been preoccupied in all the years it has been in power with the distribution of wealth where there was really no wealth to distribute. Now it is hoping to create wealth out of thin air. I will take the liberty of quoting a very modern economist who lives in our country today. This is the first time he has been quoted in the House, but I am sure it will not be the last. He is a friend of mine—

An hon. Member: Who is he?

Mr. Oberle: I am quoting his definition of capital. He says this:

Capital may be defined as subsisting in material goods, in the mental disciplines of workers, including professionals, manufacturing and commercial plants in place and functioning; goods and inventories available for markets; natural resources and the capacity to harvest and refine them; commercial, financial, political and social institutions in place and functioning.

His name is Larry Lewin and he lives in a little place called Crescent, British Columbia, where he is spending a lot of time writing down some of his ideas. He, too, has joined some of the leaders around the world in discussing some very fundamental aspects of the economies of the world, especially the need for new orders in the economies of the world respecting the new dimensions which have been added and with which we have been unable to cope over the last few years—the commodity groups, the cartels, the multi-national companies, the bigness of government, labour and corporations which are exerting such a great influence. All these things call for fundamental new ideas, and some reform of the system. But that is not what I want to talk about tonight except to the extent that it sets the stage for what I am about to say.

I was glad that one of the members of the New Democratic Party is also related in some way to the wood-converting industry. He calls himself a mill worker or a wood worker, or a logger, or whatever, from British Columbia. I welcome him to the House. Obviously he knows a lot about the industry, although one would not think so by reading his speech. I want to say a few words about the forest industry because it is an industry which is particularly hard hit by high interest rates, the decline of the construction industry, the decline in the housing market, the situation in the United States. I am talking about an industry which employs one out of every ten Canadians directly or indirectly, about an industry which produces more foreign dollars than mining, agriculture, oil and fossil fuels and fisheries combined. It is an industry known to some as the goose which has laid the golden egg.

The forest industry is in dire straits today regardless of what the hon. member from the New Democratic Party has said. The reason the industry is on the rocks is that its basic 60 per cent of income goes into some form of taxes, licences, and fees, and that it is on the receiving end every time the government has mismanaged the economy, as the governments of the United States and the governments of Canada have done over the last few years.

● (2040)

Housing starts are at an all time low and nobody has the money or the confidence in what we are doing to wish to build a new house, to build a new future, and to build generally. The wood converting industry in Canada, in comparison with the industry in the United States, has suffered badly, not just in the last few months but over the last 20 years because of incredible mismanagement by this government. The lumber industry once had 31 per cent of the world market. That position has declined to 19 per cent over the last 20 years. The United States were heavy importers of lumber from our coun-