

Employment Tax Credit Act

under the previous government there was no concept of restraint in the sense that you and I, Mr. Speaker, understand it. There was no concept of the government spending less and saving money, that it had the duty and the obligation to the Canadian people to spend less and save. What we were introduced to, or certainly what I was introduced to for the first time, was the concept which the former government used to call macroeconomic thinking. The macroeconomic thinking was simply to have some bureaucrat decide that the proper spending level in Canada was \$50 billion or \$55 billion or \$60 billion, and everything else fell out of that. In short, while we were in power no doubt people could have hinted that the \$60 billion spending level for the fiscal year 1980-81 was a level that could and should have been attained. But what absolutely startled me was when somebody at the bureaucratic level said the previous government would have accepted the \$60 billion level for macroeconomic reasons. It was not suggested that the economy somehow or other needed it, but basically because the economy needed that type of federal government spending to continue what they like to refer to as the "fine tuning".

● (1740)

What I think is exceedingly important that we do in Committee of the Whole and in other committees of this House is to pin this government down as to where it got the \$60 billion and some odd spending level it is telling us we may have to live with in 1980-81. My guess is that it was simply a figure handed to the Minister of Finance by a bureaucrat on the basis that he thought it was a nice round figure, and that as far as the economic model was concerned it was roughly what the Canadian government should be spending.

The reason this is so significant as far as Treasury Board is concerned is that there were, there are and there will be existing savings that can be made, some of which we made and some we intended to make. However, we were told that from the bureaucratic approach these savings would be counterproductive if we instituted them. In short, it is deemed that Canada should have a spending level of \$60 billion.

Mr. Deputy Speaker: I recognize the hon. member for Ottawa Centre (Mr. Evans) on a point of order.

Mr. Evans: Thank you, Mr. Speaker. I hate to interrupt the eloquence of the hon. member opposite, but I have a very difficult time seeing the relevance of his comments to the employment tax credit bill that is before this House. I wish you would rule on that matter, Mr. Speaker.

Mr. Deputy Speaker: The hon. member has exercised a certain amount of latitude but, if I may say so, he has not been the only one to do so in this debate. I would hope, however, that the hon. member would bear in mind the point made and perhaps address his remarks to the bill.

Mr. Stevens: Mr. Speaker, as I indicated, and I do not know whether the hon. member was in the House at the time, I wanted to make a few of these preliminary comments, and they are only preliminary, because I felt that we in this House

are facing such an odd scenario, being asked to debate a two-clause bill dealing with employment tax credit matters without having had the advantage of a budget and without knowing the governments fiscal position. I was indicating the type of approach this government in its previous incarnation followed in arriving at spending levels in this country and from which flew the various legislative matters we were asked to consider. At a later time I will comment more fully on some of the fiscal matters which I feel most of us are concerned about, but about which unfortunately we are not sufficiently alarmed.

Dealing more specifically with the question of unemployment, let us not forget that when the Prime Minister took power unemployment in this country was 4.5 per cent and there were some 358,000 Canadians out looking for work at the time. Unemployment is now hovering around 7.4 per cent, which means there are over 500,000 more Canadians unemployed today than in 1968 when the Prime Minister first took power in this country.

Let me make a side comment. I would ask those who say that present deficits are needed and that big government spending is essential—because unemployment is going to go up still higher without them—how come unemployment has in fact gone up so dramatically, notwithstanding those deficits that have been loaded on Canadians year by year?

The Trudeau response has been to create a hodge-podge of programs. Unemployment was treated as a short-term phenomenon that could be treated with temporary measures such as the Local Initiatives Program and the Canada Works program.

Having regard to both LIP and the Canada Works program, I would invite hon. members, especially those on the government side, to read what the President of the Treasury Board had to say about them. What he said is most informative. In due course we will have to find out from that minister whether he still holds those views.

Those programs did not alleviate our long-term unemployment problems. They only succeeded in discouraging mobility in the labour force and creating a dependence on government support programs. Young people between the ages of 15 and 24 have suffered most from the Liberal government's ineptitude.

An hon. Member: You are not supposed to be working at 15; you are supposed to be in school.

Mr. Stevens: What an interesting comment from a government supporter—"you are not supposed to work".

An hon. Member: "At 15", he said.

Mr. Stevens: At 15. Let me help the hon. member understand. Statistics happen to be prepared by Statistics Canada for that age bracket of 15 to 24, and whether hon. members on the government side like it or not, there are presumably some people below 16 years of age who would like to get to work in this country, even if the Prime Minister cannot deliver it.