

Government Administrative Policies

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to take part in this debate because I believe the economy of the country is drifting into a very serious state of affairs and I do not think the government is taking that state of affairs nearly seriously enough. To realize how serious it is, we only have to look at the unemployment figures which, in my view, give the most accurate picture of where the economy is, and where it is going.

Let us look back just two months and see what the unemployment figures were then. In March, unemployment was 5.1 per cent seasonally adjusted; in April 5.6 per cent, seasonally adjusted; and in May, 6.2 per cent seasonally adjusted. That is a very sharp rise month after month. It is not just those three months that have been affected. This rise has been going on ever since January. The indication is that it is going to continue to rise in the same steep fashion if something is not done about it very soon. In the last year there have developed 127,000 more unemployed than there were a year ago. This has brought us to the highest unemployment figure in eight years.

I think that two things should happen. I think that we in the opposition must present serious, well-thought-out proposals for grappling with this situation, to the government, and on their part I believe that the government must accept these suggestions in the spirit in which they are given. The suggestions should receive consideration, and if the government believes there is some good in them they should not be too proud to accept them, use them and help the economy in that way.

The most alarming part of this whole situation so far as I am concerned is that the opposition has been putting forward ideas and suggestions to the government over many months and the government have laughed at them, sneered at them, paid no attention to them, made wisecracks about them. I just do not think that is good enough. I think the time has come when we in this Parliament must emphasize the situation that I have described, by producing the unemployment figures. I have used the seasonally adjusted figures because on many occasions the government have stressed that the seasonally adjusted figures are the only ones that give the true picture of unemployment.

Obviously, if we are going to overcome this unemployment problem we are facing, and the serious situation the economy finds itself

in, we must create new jobs. In order to create new jobs we have to lower costs so that prices can come down, so that our products can be more competitive, so that they will sell more readily both in Canada against foreign competition here, and in the export market against foreign goods that compete against them. The question is, what can we do to bring down costs and prices?

I am going to present six points to the government that I think are worthy of consideration, six things that I think they should do, many of which I have presented in the past and which have been ignored. The government have never taken the trouble to state why they believe these ideas will not work. Mr. Speaker, I have found that these suggestions do work in practice, because I have used them and seen them work, both while working for 20 years in industry and while a member of government with economic responsibilities over a period of six years. So, in all seriousness, I say to the government that these are put forward seriously, as practical suggestions, and I am convinced that if the government will adopt them they will greatly help the economy.

The first deals with tax incentives. Mr. Speaker, in a democracy such as Canada you cannot put a gun at the head of producers, like dictatorships can do, and force them to do the kinds of things you want them to do. You have to make it so attractive for them to follow a certain line of action that they literally cannot afford to ignore that line of action. The most effective form of inducement is by way of tax incentives. Under this plan, you do not give a producer something and say, "Here is an inducement. Go ahead and see what you can do with it." Rather, you say to him, "If you do what I suggest you should, we will make it worth while for you at the end of the year by giving you a rebate on your taxes." That is a very simple, practical way to reward a producer for doing the kinds of things you believe he must do for the national economy. The first step is offer tax incentives to induce greater productivity.

We hear a great deal of talk about productivity. Everybody agrees productivity should be increased. The government agrees it should be increased but do absolutely nothing to make it attractive for producers to increase their productivity and thereby lower costs and prices, make their goods more competitive and more capable of producing jobs. In order to become more productive and increase your productivity you must make a