

that country today. It has been shown on numerous occasions that the direction of the Canadian economy is strongly influenced by what happens south of the border. It is virtually impossible to have a relatively high unemployment rate in the United States without having a similarly high unemployment rate in Canada.

With the greatest respect, I suggest that the opposition attempt to attribute the present unemployment situation to the anti-inflationary measures adopted by this government around a year ago ignores the parallel situation in the United States. We must make Canada more independent of the United States' economic influence. What can we do to make the Canadian economy more independent? What can we do to make employment, and unemployment, in Canada more directly controllable by the Canadian government, whether it be at the federal, provincial or municipal level?

First of all, I suggest that the white paper on taxation contains suggestions which provide for the development of a measure of independence for Canada. I am hopeful that when the minister brings down his legislation for a revised tax program it will very clearly place Canada and Canadians in a preferred tax position. That is not the situation today. There is a growing opportunity for Canada to stand on its own feet, but we cannot stand on our own feet if we insist on being hired men, or overseers, for investors across the border. One way to insure independence is to have major fiscal and financial independence. This can be done by developing an appropriate tax system. Sometimes I am amused by the suggestions of members of the NDP. They seem to think we can have an independent Canada by legislation, in spite of the consequences of the restrictive economic policies they advocate. This is just not possible.

I am particularly pleased to see the Canada Development Corporation legislation before this House. This is one way in which Canada can gain more control of her own destiny. Also, I think it is appropriate to mention that the greater control of Canadian financial institutions by Canadians is vitally important to a more complete control of the Canadian economy. Here again, this government has taken some impressive steps.

It has been suggested that in a period of relatively high unemployment it is not appropriate to encourage students to continue their education. It is very easy to discourage them and we must not do that. A number of studies have been carried out—I refer particularly to one done recently by the Economic Council of Canada—which show that one of the things lacking in Canada is a well-trained management group.

• (5:30 p.m.)

It seems to me that this government has gone further than any other government in this country to ensure that the benefits of education are made available to our young people to the greatest possible extent, particularly in management training, so that we can provide the talent necessary to operate the economy at a full-employment level. Also, the retraining programs that have been instituted—and there have been many references to them—are not substitutes for productive employment but

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rather, I suggest, equivalent to productive employment. I think it is quite wrong to add to the unemployment figure the number of people who are on retraining programs, and thus to imply that this is a substitute for productive employment.

Some hon. Members: Hear, hear!

Mr. Harries: Surely that cannot be the case. What we are attempting in Canada—and I think the government deserves full credit for its efforts in this direction—is to upgrade the talents and techniques that we employ, so that people will have an opportunity not simply to be employed but to be employed at a level that is the highest they can attain.

It seems to me that instead of thinking in terms of reducing retraining at any time, we should step up this program. Tax arrangements should be made which will encourage the individual and make it economically attractive to him to seek retraining, not just when his present work opportunity diminishes or disappears but as a matter of standard practice in exactly the same way as with capital equipment. There is much to be gained for Canada generally by this sort of program.

If the observations made today are not to be restricted to the urban area of the city of Toronto, I suggest to hon. members that the problems of the urban areas have been recognized and the government has made some excellent efforts to deal with them. I refer particularly to the fact that at a time when even in western Canada there is a strong trend toward the urban cluster, we succeeded in meeting some of the social and economic problems which arise from concentrating many people without employment into relatively few urban areas. I am referring, for example, to grants made for studies. One of these studies was completed in the city of Edmonton a month ago. I am referring to studies directed at trying to establish the type of socio-economic programs that can be effected to reduce the hard core of unemployment which results from the aggregation of unemployed in urban areas.

In other words, we may well be playing a game with statistics—this is shown in part in this study—where we find there is a higher level of unemployment than previously only because unemployment in an urban area is clearly visible. Unemployment is not so clearly visible in areas such as north central Alberta. So what you do is bring these people into urban areas where unemployment becomes visible. Fortunately, however, at the same time as it becomes visible it is also possible to take steps to give these people an opportunity for employment. I believe that here again this government has followed intelligent programs, some of them experimental in nature.

Another aspect that commends itself with regard to the urban problem is the development of a more satisfactory environment. I believe we will have to recognize that simply talking about environmental improvement is not sufficient. We will have to recognize that people previously employed in production will more properly now be employed in solving problems associated with improvement of the environment. As such they can be considered