

Restraint of Government Expenditures

the very fundamental criticisms we have made of those programs, but it is obvious to most people who want to be objective and realistic that the government's manpower programs are in a shambles. One does not have to be an opposition politician, or in a provincial government, the Department of Manpower, departments in colleges and universities, or a department of education expert, to know that government programs are in a shambles.

The C.D. Howe Institute, which is no radical, revolutionary organization—

Mr. Hogan: A very right-wing organization.

Mr. Orlikow: "A very right-wing organization", says my colleague from Cape Breton-East Richmond—commissioned a study of job creation programs by a Barbara Goldman, a former associate economist at the institute. She found that current manpower programs are heavily weighted toward training, even though the training given does not often match labour market requirements. Anybody who walks around any city in Canada and talks to the people knows—I hope that the minister will pay some attention at some point, even if not tonight—that direct job creation programs help to cut unemployment without exacerbating inflation. She found that Canada has not been stingy in its manpower policies. The department is expected to spend, she says, \$830 million in the current fiscal year, but the money has not been efficiently spent, partly because of the stop-go policies of the government. Those were political decisions that were made by the government.

She then gives some examples. In June, 1975, the then finance minister announced a \$450 million direct employment program to last two years. When he did that the unemployment rate was 7.1 per cent. In December of 1975, when unemployment was 7.3 per cent, the then president of the treasury board announced cuts in manpower programs of over \$100 million. Similarly, this year unemployment in the month of May was back at the level of 7.15 per cent, the Minister of Finance reaffirmed the government's interest in direct job creation, but the then manpower minister had already warned that no new programs could be expected before this fall. And we have not had any, Mr. Speaker.

● (2120)

Miss Goldman pointed out that the spending cuts were heaviest in the innovative job creation programs and that the reductions came there because those programs did not have the built-in bureaucratic safeguards and inertia that the older training programs have. She pointed out that at the peak in 1972-73 only 32 per cent of Ottawa's manpower budget went to job creation. Most of the rest, she said, goes to training and to Canada Manpower Centres, even though CMC's are known to have a poor placement record and the training all too often equips people for jobs that do not exist. She went on to illustrate how much of the money for training is spent for training people in farming and fishing when there are not sufficient jobs in those fields.

[Mr. Orlikow.]

She makes some very concrete suggestions. She proposes a program giving long-term jobs to people who otherwise would not be able to work at all. This would be similar to the present Local Employment Assistance Program. She proposes a second program providing short-term jobs in community services for people in transition to the regular labour market. Services would be provided on a permanent basis, but the jobs would be short-term. This would be similar to the former Local Initiatives Program. She suggests a third program to be used only when unemployment hits a cyclical high, to provide short-term jobs on special projects involving recreation or environmental cleanups—projects which can be easily started and stopped.

I find it interesting that the C.D. Howe Institute would sponsor a study which in many ways reaches precisely the same conclusions members of our party have been advocating for some considerable time. We have argued, and will continue to argue, that this country cannot afford the kind of unemployment we have, and in fact cannot afford unemployment. The Minister of Finance of course will say that he cannot in this period of inflation inaugurate programs which would put the populace to work.

It is obvious to us that when we have the kind of unemployment we have, with over 700,000 people out of work, we are losing approximately \$4 billion a year in terms of lost production, and that the taxes which would be derived by the three levels of government, if we had full employment, would represent something in the neighbourhood of \$1¼ billion to \$1½ billion, and that the money therefore would be much better spent than in the way we are spending it now dealing with unemployment through unemployment insurance and welfare at the local levels.

We believe, as does the President elect of the United States, Mr. Carter, that this country can have and should have full employment. We want to end the frustration and humiliation suffered by the unemployed. We want to end the alienation in the community, the family disintegration, and the social confrontation which accompany long-term unemployment. We want to end the waste in human resources which reduces our potential wealth as a nation. We can see that a Liberal government has not adopted the principle of full employment and will not adopt that principle.

As I said at the beginning of my speech, we were not surprised that the people of Quebec rejected the Liberal government of Quebec which was a partner in this policy of encouraging and permitting the kind of large scale unemployment which this country had not seen since the hungry thirties. This government has shown itself to be unwilling and unable to end unemployment. In 1970 the government sought to fight inflation by creating further unemployment. Its success in fighting inflation then, as now, was an illusion. However, the government did create high unemployment at that time and therefore encouraged the growth of social problems while reducing the potential wealth of the country.

In recent years the Liberal government has paid lip service to the objective of full employment. The government had its