

have to be content with the corrective measures presented to us today, but then again the package appears a lot more attractive than it is in reality. I therefore repeat, it is urgent that we support this piece of legislation. I also wish to remind Canadians that the slump which we find ourselves in is due to a government that lacked the foresight and decency to equip itself with the tools necessary to establish its policy.

I shall now, Mr. Speaker, leave the floor to some of my colleagues who have comments to make, and I hope that my observations will be taken into consideration by our friends on the other side.

● (1642)

[English]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to say a few words on this important matter because I think the government is on the right track although it is very limited in its approach, and for that reason, when the bill becomes legislation, it will not do nearly as good a job as would be possible with a broader approach which I intend to outline at present. My thoughts are as follows.

If we are to increase employment significantly in this country, we must find a way of obtaining orders which are at present being filled by producers in other countries due to their ability to turn out products which are as good as the ones we produce and to sell them in Canada at significantly lower prices.

There is a great deal of business which Canadian companies are unable to compete for because of low labour costs in the foreign countries where the products are made. If Canadian companies are to be able to compete for a good proportion of this business, and thereby obtain additional employment for Canadians, they must have an incentive which will enable them to reduce their labour cost on this potential new business to a level where they are within striking distance of these low foreign rates. Then by accepting a lower than normal margin of profit on this extra business in order to get started, they can compete for these orders and stand a good chance of obtaining a reasonable proportion of them. Now, what kind of incentive will do the job?

The government should say to all business—not just manufacturers and processors—that it will reward over-all increases in employment during the year by way of an employment incentive, which will be paid in direct proportion to the increases that are made. It is simply a matter of comparing the total number of man-years of employment by the company in the tax year under consideration with the last full year before the plan is put into operation, which will be the base year. The employment incentive would be paid in proportion to the increase in employment and the general wage level of the plant concerned, and the company will thus be able to calculate well in advance just what amounts of money it would receive for various increases in employment.

This will enable businessmen to calculate in advance how much their labour costs would be reduced on additional business which the employment incentive would make it possible

for them to seek. All such business obtained in this way will be a net gain for Canadians.

As you know, a person receives two thirds of his former pay or salary when he is out of work and receiving UIC benefits. If one third of his former pay scale is made available to a potential employer who can then bid on previously unobtainable contracts, and in this way provide work for that unemployed person, then he or she would have the satisfaction of working instead of remaining in idleness; would be removed from the UIC rolls; would be making a positive contribution to the economy; and would begin paying income tax to the government.

To pay for this employment incentive, we would have available to us a considerable proportion of what the government pays out each year as its contribution to UIC benefits. This year it is estimated that the government's contribution will be at least \$2 billion of the more than \$4 billion which will be paid out as such benefits.

In the bill before us there are some changes in detail from what I have put forward on this occasion, but the government's proposal is the same in principle as the ideas which I put forward for its consideration. Therefore, I will be very pleased to support the bill when it comes to a vote.

Miss Coline Campbell (South Western Nova): Mr. Speaker, I do not plan to take very much time of the House on this bill but I do wish first to congratulate the Minister of Finance (Mr. Chrétien) and the Minister of Employment and Immigration (Mr. Cullen) for their attempt to recognize again the regional disparities which exist in some areas of Canada. I also wish to congratulate them on trying to reduce unemployment through the incentive proposed in the bill before us.

For the benefit of members of the House and others I should like to say that one does not see too many arrangements which take the regional disparities in this country into consideration. However, under this bill, in the Atlantic provinces and the Gaspé region of Quebec a \$2 tax credit per job is offered.

One must look at what is the objective of creating these jobs. The employer must find a new type of work and employ a person for three months in order to qualify for a tax credit for up to nine months of assistance, and the new employee must be employed full time. This should encourage small businesses in Nova Scotia, and in South Western Nova in particular, to consider this new method of reducing unemployment in the fields of fishing within the 200-mile limit, in farming, forestry and tourism.

There are some questions which I hope will be answered with regard to employment in the fishing area in cases where the catch is not available for the full 40 hours in a week or for the full three months. I hope that the minister will answer some questions I will put to him during the debate on this bill later on regarding the case of an employer who wishes to hire people in the fishing industry. Will he have to hire them for a steady three months' period to benefit, or will he be able to extend that period in case fish are not running for a period during that time? I wonder how the legislation should be