

Employment Incentive Programs

through various means, devices and ruses, our manufactures of these products. Yet here are we offering open hunting to these offshore suppliers.

Let us take the Nelson River project. These figures may be dated, but it appears that out of a total of \$65.3 million spent, foreign firms have taken over 65 per cent. Even though these figures can be updated, I suspect the proportion is the same. Some years ago Mr. Walter Ward, who at that time was executive vice-president of Canadian General Electric Company, in a very interesting speech entitled "Urgent Need for Co-operative Effort" suggested that the utilities, the federal government and Canadian industry should co-operate in support of the Canadian heavy electrical industry because it was a key industry in this country. I suggest—

The Acting Speaker (Mr. Boulanger): Order, please. I regret that the time of the hon. member has expired.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is distressing for me today to speak in this debate with the full knowledge that neither the Minister of Industry, Trade and Commerce (Mr. Pepin) nor the Minister of Regional Economic Expansion (Mr. Marchand) is present. One would have thought that when their departments were being subjected to criticism they would try to be here to reply to the points that are made, that they would try to defend the government's record. I think it is important that they be here and I regret their absence.

In the brief period available to me I want to make some specific criticisms and suggestions. The Minister of State for Science and Technology (Mr. Gillespie) took great pride in the fact that the job creation rate in Canada was something to behold in this modern world. He was followed by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard) who was just as euphoric in telling us that we must be doing a good job in terms of making grants and tax concessions to further regional development in this country, because after all we are creating a lot of jobs.

I suspect that both the minister and the parliamentary secretary were referring to the OECD study some time ago which provided comparative information about our performance compared with other countries in the western industrial world. It would have been very interesting had he revealed the full import of that study. For example, he covered the last quarter of 1971, but what he neglected to tell us was that in West Germany, for example, one of the countries surveyed, a country governed by a social democratic party, there was an unemployment rate of 0.5 per cent. Indeed, West Germany imported two million foreigners because they have more jobs available than workers to fill them. But the hon. gentleman neglected to mention that.

He also neglected to mention that in Sweden only 2.7 per cent of the population were unemployed. Sweden is another country that is governed by a social democratic party. He could also have mentioned Norway, with unemployment at 1.4 per cent—again, coincidentally perhaps, governed by a social democratic party. However, the point is that their unemployment rates are very low indeed, the lowest in the world, so it would be absolutely absurd for them to have a very high job creation rate. Canada has to

have a high job creation rate because we have the highest level of unemployment of all industrial countries in the world. I suggest it is absolute idiocy to say that these other countries do not have the same job creation rate that Canada has, since they have virtually full employment.

During the last quarter of 1971, for example, in the countries surveyed in western Europe there were 1,502,000 unemployed. However, 1,163,000 jobs were available for them. This means that obviously those countries do not need to create more jobs because they have virtually full employment. There was almost one job available for each man looking for a job. The countries in western Europe to which I referred have the highest level of employment, I argue, in man's history. To suggest that their job creation rates are not as good as Canada's is a very poor argument. We need a high job creation rate because we have such high unemployment, for which the government is directly responsible.

Let me refer to some other interesting figures relating to the multitude of programs offered by the Department of Industry, Trade and Commerce to assist private enterprise, the kind of programs that made George Bain write recently in his column in the *Globe and Mail* that if the welfare state exists in Canada at all, it exists for the corporate sector, not for the ordinary citizen.

I have a list of programs offered by that department, 12 in number, for which the private sector can receive outright grants from the government. During the period 1968-69 you will find that spending under those programs to assist private corporations amounted to \$390,593,000. The following year it increased to \$399,481,000. In the period 1970-71 the amount was \$370,004,000. Last year the government gave out \$472,136,000 to the corporate sector. The estimate for 1972-73 is \$530 million. This makes a grand total of \$2,162,217,000 outright grants to the poor, struggling, private enterprise sector, companies which like to say—out of the other side of their mouths, of course—that everyone should be rugged individualists and that government should not interfere in the daily lives of citizens, except, of course, when giving handouts to them.

A look at the unemployment statistics for that period reveals, not a positive correlation between money going into the private sector but a negative correlation. Average unemployment figures for the previous five-year period reveal that in 1967 the rate of unemployment was 4.1 per cent. In 1968 the rate was 4.8 per cent, in 1969 it was 4.7 per cent, in 1970 it was 5.9 per cent and last year it was 6.4 per cent.

• (1750)

I say to those two ministers who have been boasting so much about job creation as a result of this spending that they should check their statistics. We have spent over \$2 billion, and we have an increasing rather than a declining rate of unemployment. I suggest that not only are we providing fantastic sums of money, supposedly for regional development programs intended to create jobs but which do not have any significant impact and conceivably, in some cases, have a negative impact—we in Canada are experiencing a phenomenon that has concerned Senator McGovern of the United States.