

Employment Tax Credit Act

In the 12-year period or so since this government was elected, we have experienced the worst levels of unemployment and inflation since the great depression. In this period we have seen plant closures and layoffs to such an extent that many economists are now referring to Canada as being in a stage of de-industrialization. Certainly in the industry I am most acquainted with, the electrical-electronics industry, there have been drastic changes over the past ten years. Ten years ago, Canada had a fairly strong electronics manufacturing industry. Over the past five years alone, nearly 20,000 jobs have disappeared.

● (1710)

In addition, we have lost thousands of potential jobs through a combination of two principal factors—inadequate research and development, and increased foreign imports. For example, in 1967 we imported \$63 million worth of electrical goods. In 1977 we imported \$421 million worth of those products. Today you cannot buy a Canadian-made radio. Fairly soon you will not be able to buy a Canadian-made TV set. By the early 1980s Canadian-made electric small appliances may be a thing of the past.

What has happened in the electrical industry has been going on in virtually every other sector of manufacturing in our country, whether it be footwear, clothing, furniture, textiles, shipbuilding or whatever else. In more recent times that good old standby in Canada, our natural resource industries, have also fallen upon bad times.

For years the New Democratic Party and the CCF before it has warned successive governments, both Liberal and Conservative, that we could not permit the uncontrolled extraction of our raw and natural resources for export to other countries for processing into finished goods and then have them shipped back for sale here. That has been government policy in Canada since 1949 and it is not only dumb economics, it is irresponsible government in the extreme. We have not only been giving away our valuable resources, but in the process we have been giving away our hope of being able to finance our own way as a technologically-advanced industrial nation.

In terms of the present economic crisis, probably the most significant problem of all is the large degree of foreign ownership of our industries. According to the most recent figures I have, foreign companies owned 57 per cent of all manufacturing in Canada. They also owned 99 per cent of the rubber industry, 96 per cent of automobiles and parts, 85 per cent of chemicals, 71 per cent of electrical goods, 63 per cent of agricultural equipment and 57 per cent of transportation equipment.

Until recently our major concern over this degree of foreign ownership has been that we were a branch plant economy. Today we are not even that. Today we are rapidly becoming a warehouse economy with an increasing number of domestic consumer goods being supplied by imports from other countries. These are manufactured in the main by the same corporations that once produced them in Canada and now find it more profitable to operate elsewhere.

In the midst of all this, both the Liberals and Tories want us to believe that owing to current international conditions there is little governments can do about unemployment. Both I and the New Democratic Party do not agree with that position. If this government were serious about doing something concrete about unemployment and if they were seriously committed toward a goal of full employment in Canada, then steps should be taken now to reduce unemployment. In the short run the government could give a clear indication that it is serious by stating it has no intention of continuing to cut back on grants to job placement agencies funded under the Outreach programs. The success of these programs has clearly been demonstrated in the past yet the government has chosen to do away with many of them.

A case in point is the citizens action group, a Hamilton, Ontario placement organization that specialized in finding employment for hard-to-employ people. Those people were mainly young people or referrals from correctional institutions and former psychiatric patients. Yet this group has recently been told that its grant of \$118,000 a year would be withdrawn because, it was said, the Outreach program under which it was funded was for temporary pilot projects. Now that it has shown what can be achieved with hard-to-employ clients, its function is to be taken over by Manpower.

What this government should be doing instead of playing around with measures now before us is reinstating programs such as Outreach that we know do create jobs. We need programs to provide incentives to get us into apprenticeship training to address the shortage of skilled workers in Canada. If members opposite were really serious, they would make better use of taxpayers' dollars by employing them in productive government spending in the food, housing, energy and transportation sectors, using the money available for the development of processing industries based on Canadian resources and the development of manufacturing industries to produce goods we now import.

If this government were really serious about unemployment they would show their commitment by bringing in a full employment act which would provide for annual forecasting of employment targets, together with a timetable for implementation. These are the kinds of things which would show Canadians the government is serious about fixing the mess which the administration has itself created. Playing around with measures like those contained in this bill simply cements the view that this government is not serious about doing anything to alleviate unemployment. I think it is about time they started.

Some hon. Members: Hear, hear!

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate today I feel I should like to express a few thoughts concerning the bill before us and also the general condition in which we find the economy today. I feel it is most unfortunate that the Minister of Finance (Mr. MacEachen) should have chosen to deny Parliament an early opportunity to