

Employment Tax Credit Act

I want to say at the outset that I do not believe the measures proposed in this bill will do much of anything to cure the unemployment crisis we have in Canada today. The unemployment tax credit program is intended to provide a federal tax credit of up to \$2 per hour for a 12-month period for employers who hire additional workers beyond their normal requirements.

● (1700)

The minister has described the measures in this bill as temporary and designed to fill a gap while an employment strategy is developed by the government. I want to remind the minister and this House that this government has been saying the same thing for many years and the people of Canada are still waiting to see some action by the government to alleviate unemployment.

In May, 1971, the present Prime Minister (Mr. Trudeau) told this House that full employment was the goal of his government. In 1968 when the Prime Minister came into office, the rate of unemployment was 4.5 per cent and there were 360,000 people unemployed. In 1978 there were 911,000 people unemployed and the unemployment rate was 8.4 per cent. As of March, 1980 the number of unemployed Canadians was 969,000. When you consider the hidden unemployed, those people who have dropped out of the work force or are not considered as being unemployed, the rate is over 1,526,000 people unemployed. The people of Canada are still waiting anxiously for a full employment program.

I would like nothing better than to believe the government when it says today that it has a renewed commitment toward an employment strategy. I would like nothing better than to believe we are finally going to see action that will alleviate the despair that has become commonplace among many hundreds of thousands of unemployed Canadians. I would like nothing better than to believe that. However, the record of this government is such that I do not hold out much hope that we will see the kind of action required.

Certainly the proposals set out in this bill will not even make a dent in the unemployment rate and its value is questionable. In the first instance, the problem with this program is that the employment created is usually of a temporary nature. There is nothing to stop employers from taking advantage of this program by claiming tax credits for employees they intended to hire in any event, regardless whether the program was in place or not. Again, it only benefits those employers who are in a position to pay taxes. Those employers who need help the most will not receive it under this program. There is nothing to prevent employers from using this program to create short-term employment that ends as soon as the subsidy ends. However, the measure does allow the government to create a rosy picture of the number of jobs it has created. That is typical of the cynical approach this government has been taking toward the unemployed in our country.

Unemployment and the effects of that unemployment on the lives of all Canadians is a national disgrace. The fact that there are programs today such as unemployment insurance

and social welfare that lessen the economic impact on the unemployed and make it less severe to be unemployed today than it was in the depression days of the 1930s does not alleviate the human stress that being out of work causes to our unemployed and their families.

In a study prepared for the use of the joint economic committee of the Congress of the United States by Dr. Harvey Brenner of John Hopkins University, the effect that unemployment has on homicides, suicides, imprisonment and mental and physical ailments was well documented. That study clearly showed that an increase in unemployment had a severe impact on the well-being of society as a whole.

Even a 1 per cent increase in unemployment creates a legacy of stress, aggression and illness affecting society long into the future. The human tragedy alone of unemployment revealed by this study is shocking enough and, even though it is a study conducted in the United States, I am told by Canadian people who are conversant with that study that the same effects can probably be applied to the Canadian scene. I wish to read into the record one of the salient points of that study which may be of interest to this House and the minister. I quote:

The 1.4 per cent rise in unemployment during 1970 has cost our society nearly \$7 billion in lost income due to illness, mortality, and in added state prison and mental hospital outlays. To this must be added public outlays of some \$2.8 billion annually over the 1970-1975 period for jobless and welfare payments associated with the sustained 1.4 per cent rise in unemployment. Additional outlays not included here are the costs of care in federal institutions. Even excluding these latter outlays, the cost of the sustained 1.4 per cent rise in unemployment during 1970 is at least \$21 billion. And as noted earlier, this entirely excludes the impact of the further increases in unemployment since 1970 as well.

These dollars represent resources lost or diverted from productive use. They represent wealth never to be realized, lost forever to our economy and society. They, in part, measure the human tragedy of unemployment. But most significantly, their loss could have been avoided.

I said earlier that the federal government knows how to minimize unemployment. It knows how to reduce it using monetary and fiscal policy and to keep it down. This study, for the first time, offers our government the capability to accurately and fully measure the impact of these economic policies. Economic policy planners can and will now know the full and tragic cost of unemployment if they fail to hold it at a minimum.

They are obligated to use this new wisdom.

I highly recommend that study to the Minister of Employment and Immigration (Mr. Axworthy). I am sure it would help to educate him on the problems of unemployment in Canada.

If the wisdom reported in this congressional committee report is to be used in Canada, if the human and financial costs are to be avoided in Canada, government, business and industry, organized labour and educational institutions must be brought together to mount a concerted, imaginative and innovative effort to give our unemployed back their dignity and sense of worth by providing them with work.

Fooling around with measures that are contained in this bill will not do it. It took no imagination at all to put together what is in this bill. In fact, the measures are worse than useless. In fact, it is not possible to talk about having an employment strategy without talking about an economic strategy for Canada.