

screening agency for foreign investment have not been, and are unlikely to be, conducive to restoring a proper relationship between business and government.

The government's overall economic direction has been profoundly disappointing. The use of restraint and relaxation has been awkward, and the attempt to introduce voluntary limitations on prices and wages was naive, singularly lacking in imagination, and demonstrated a poor understanding of market economics.

Further, there is growing resentment among all businessmen and, I would add, all citizens who have had direct dealings with this government, due to the increasingly frequent incidences of bureaucratic bungling. The influence of a ham-handed ubiquitous government seeking to regiment, control, and, supposedly, streamline is manifesting itself everywhere, and the result is everywhere deplorable. The sad state of present business-government relations has led to confusion and frustration in the business world.

This administration is top heavy with men who long ago cast their lot with the noisy anti-capitalist forces of the left. The supposed conversion of those sages to big "L" liberals, only a relatively few years ago, has not been followed by any convincing change in their outlook. They remain substantially what they were. The Liberal party has changed to some extent. Its president, one of our colleagues, referred to it in a recent speech as the "people's party," and the business world has every reason to fear that change in nomenclature. It is indicative of a far more profound change in philosophical orientation.

Far from eliminating confusion and uncertainty, last year's tax reform has contributed to it, and it will inhibit business efficiency and entrepreneurship for a long time to come. A large number of the provisions of the income tax reform act of 1971 are next to impossible to understand. Those entrusted with the responsibility of advising corporations in the matter of taxation are now having nightmares.

But that was not the only piece of deficient and ill-advised legislation this administration concocted seemingly with a view to victimizing business. This government's anti-business bias was manifest in the Competition bill it presented in the last session, and will blunderingly seek to re-introduce this session, with likely very little change. Certain measures proposed in that bill would have rendered illegal long-standing practices based on sound economics, and I cite as an example the proposed tribunal with its virtually unrestricted discretionary powers, and the proposed shift in the burden of proof from the Crown, where traditionally it has rested, to the accused. That is presumed guilt instead of presumed innocence.

As a result of this chronic mishandling, the state of our economy is a disaster. The Science Council of Canada has pointed out the urgent need for a new economic strategy, one which would ensure a more effective and profitable use of skilled manpower and natural resources. But this government's past performance indicates that such a policy is likely to be a long time in coming.

However, our economy needs help now. Measures calculated to impart new growth and to convince industry that the government is aware of the need for change must be implemented immediately. What we need is a significant reduction in corporate as well as personal taxes. This would demonstrate the government's awareness that the private sector holds the key to sound and lasting economic growth.

Tax cuts alone, however, will not suffice. This crusading administration will have to cease in its attempts to force the private sector to meet the political and social objectives of government. It is the proper function of private enterprise to generate economic growth and, by so doing, to create employment.

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The creeping socialism which characterizes most of this government's legislation will stifle growth and eventually plunge us into an economic crisis, which crisis will provide apparent justification for further government intervention in our economy, and we will then be on our way towards a brand of authoritarian statism most of us, I presume, do not want.

Honourable senators, according to the Prime Minister our chronic unemployment problem would be greatly alleviated, if not entirely eradicated, were people to take the trouble to answer the want ads in the country's daily newspapers, and were they willing to move to those centres where jobs are available. So much for that problem. Such quasi-solutions are all too typical of this administration.

Two years ago, it set about, in an ill-conceived attack upon inflation, slowing down the economy. The outcome was disastrous—18 months of massive unemployment, a condition from which we have yet to recover. The most recent unemployment figures, whether adjusted or unadjusted—I will leave it to the Leader of the Government to explain to us the intricacies of the adjustment or non-adjustments; he has always been a specialist in this field—indicate quite clearly that this administration is still not producing jobs at a rate anywhere near that required to keep abreast of the rapidly expanding labour force.

As a matter of fact, there is significant evidence to show that the government's economic policy is, in some areas, having quite the opposite effect. It is destroying job opportunities by indirectly forcing the closure of certain plants. The figures released in January revealed an unemployment rate of 7.7 per cent in the country as a whole. In the Atlantic region, the rate rose to 12.9 per cent. In Newfoundland and Prince Edward Island over 18 per cent of the labour force was unemployed. In Nova Scotia and New Brunswick over 10 per cent were out of work, and in Quebec 9.8 per cent.

These statistics do not include those who have given up trying to find work—those who are no longer eligible for unemployment insurance, and who have learned from experience how totally useless the Manpower Department is in helping people to find jobs. There is no way of determining how many have been driven to this degree of pessimism and despair, but it is quite likely that they represent a significant number.