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OFFICIAL REPORT  
(HANSARD)

**Thursday, February 4, 1982**

Speaker: The Honourable Jeanne Sauvé, P.C.  
HM. 201 1ST CLASS  
MR. W.H. REMNANT CL. 1ERE CLASSE  
LEG. ASS. GOV. OF N.W.T.  
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YELLOWKNIFE, N.W.T.

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Western Arctic

# HOUSE OF COMMONS

Thursday, February 4, 1982

The House met at 2 p.m.

**Madam Speaker:** Is there unanimous consent for this motion?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

• (1405)

## ROUTINE PROCEEDINGS

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[English]

### AGRICULTURE

#### LOCATION OF PROPOSED VETERINARY COLLEGE IN ATLANTIC PROVINCES—MOTION UNDER S.O. 43

**Mr. Gus Mitges (Grey-Simcoe):** Madam Speaker, in view of the fact that, because of the limited space available in our three veterinary colleges in Canada, less than 15 per cent of the eligible applicants to the veterinary course can be accepted, resulting in an undesirable shortage of veterinarians in all phases of the profession, including the civil services, and in view of the fact that the Atlantic provinces have been procrastinating for several years now as to where the fourth veterinary college will be located in the maritimes, I move, seconded by the hon. member for Erie (Mr. Fretz):

That the Minister of Agriculture, whose department would be allocating some 50 per cent of the capital cost toward a new college, take the bull by the horns and come up with a suitable location and let us get on with this much-needed facility, or use the money to expand existing facilities and increase enrolment.

**Madam Speaker:** Is there unanimous consent for this motion?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

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### PUBLIC SERVICE

#### NEGOTIATION OF SALARY INCREASES—MOTION UNDER S.O. 43

**Mr. Don Blenkarn (Mississauga South):** Madam Speaker, the only sizable group of people who are assisted by the budget are senior civil servants and senior officials in Crown corporations who received a very significant increase in net pay as a result of the reduction of the over-all tax rate from 63 per cent to 50 per cent. I therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the President of the Treasury Board, in negotiating salary increases for senior officials in the government, take into account the enormous benefit they have already received as a result of the change in tax policy and that any indexing be reduced by the effect of the income tax changes on their take-home pay.

### WORLD ALPINE SKI CHAMPIONSHIPS

#### CONGRATULATIONS TO CANADIAN WOMEN'S DOWNHILL SKI TEAM—MOTION UNDER S.O. 43

**Mr. Mark Rose (Mission-Port Moody):** Madam Speaker, my motion under Standing Order 43 should have no difficulty in receiving the unanimous consent of the House.

Yesterday Canadians received the great news that Gerry Sorensen of Kimberley, B.C., won the gold medal in the women's downhill race at the World Alpine Ski Championships in Austria—Canada's first gold medal since Nancy Green won it in 1968.

Fellow Canadians Laurie Graham and Dianne Lehoday finished third and fifth respectively, giving Canada a total of three of the top five placings.

I therefore move, seconded by the hon. member who represents Gerry's home riding, the hon. member for Kootenay East-Revelstoke (Mr. Parker):

That this House congratulate Ms. Sorensen and other members of our national women's downhill ski team for their outstanding performance in this world championship race, and extend our best wishes to our national men's downhill team for equal success in their championship race next Saturday.

**Some hon. Members:** Hear, hear!

**Madam Speaker:** Members want to show their appreciation with their applause. Thank you, very much.

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### CONSUMER AFFAIRS

#### ACTION AGAINST OIL COMPANIES FOR ALLEGED PRICE FIXING—MOTION UNDER S.O. 43

**Mr. Geoff Scott (Hamilton-Wentworth):** Madam Speaker, in view of an announcement at this hour in Montreal that the Automobile Protection Association is launching, on behalf of all motorists in the Province of Quebec, a \$3 billion class action suit against the major oil companies for alleged price fixing, I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

## S.O. 43

That this House applauds the initiative taken by the Automobile Protection Association and, further, that the Ministry of Consumer and Corporate Affairs take the oil companies to court to clear the air on behalf of all Canadian consumers with respect to price fixing.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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## AGRICULTURE

SUGGESTED AMENDMENT OF FARMERS' CREDITORS  
ARRANGEMENT ACT—MOTION UNDER S.O. 43

**Mr. Vince Dantzer (Okanagan North):** Madam Speaker, the government's mismanagement of the economy, causing inflation and high interest rates, has placed the farming community of Canada in a disastrous situation. Many have been forced off their land and many, many more are on the brink of bankruptcy. We face a similar situation to that which we experienced in the dirty thirties. Therefore I move, seconded by the hon. member for Peace River (Mr. Cooper):

That, recognizing it is in the national interest to retain farmers on the land as efficient producers, this government make the necessary amendments to the Farmers' Creditors Arrangement Act to make it an effective instrument to be used by farmers to prevent bankruptcy.

**Madam Speaker:** Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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## FISHERIES

## REGULATIONS AND LICENCES—MOTION UNDER S.O. 43

**Mr. Fred McCain (Carleton-Charlotte):** Madam Speaker, the Minister of Fisheries and Oceans (Mr. LeBlanc) has made many unnecessary and unreasonable changes in respect to licensing of and the conduct of licensees engaged in the fishing industry. In many instances these regulations have been extremely expensive and have not conserved a specie, nor have they improved the health standard of the product. Therefore I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

• (1410)

A. That no changes in regulations pertaining to the fishing and fish processing industry be put in force until there is full consultation with the participants in the industry so that the full impact and benefit or penalty of the change may be thoroughly understood by officials of the Department of Fisheries and Oceans, and by the fishermen themselves.

B. That an immediate review of existing regulations and licensing be undertaken to remove some of the obstacles to efficient and viable practices in the industry.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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## NORTHERN AFFAIRS

THREAT BY NORTHERN CANADA POWER COMMISSION TO CUT  
SERVICE—MOTION UNDER S.O. 43

**Mr. Sid Parker (Kootenay East-Revelstoke):** Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity. In view of the fact that the Northern Canada Power Commission has threatened to cut off the power for residents of Field, British Columbia, because the people have been withholding payments as a protest, in view of the fact that these people are protesting the fact that their power rates are four times higher than in comparable communities in British Columbia, and in view of the fact that the Minister of the Environment (Mr. Roberts) has promised to negotiate a rate reduction for the community of Field, I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That this House instruct the Department of the Environment and the Northern Canada Power Commission to negotiate rate cuts for the community of Field and guarantee those residents that their power will not be cut off.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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## THE BUDGET

PROVISION AFFECTING RETIREMENT INCOME—MOTION UNDER  
S.O. 43

**Mr. John Bosley (Don Valley West):** Madam Speaker, thousands of pensioners of moderate means have chosen to forgo income in the early years of their retirement in order, through RRSPs, either to provide spousal incomes or to protect against future inflation. For this government, itself the chief cause of that inflation, to take away from these self-reliant Canadians the \$1,000 pension income deduction is disgusting. I move, seconded by the hon. member for Missis-sauga South (Mr. Blenkarn):

That this viciously inhumane proposal in the budget be immediately abandoned.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR REJECTION OF TAX CHANGES—MOTION UNDER S.O. 43

**Mr. Gordon Towers (Red Deer):** Madam Speaker, I rise to intercede on behalf of Canada's 12 million taxpayers—16 million, if we have the inflationary tendencies of the Minister of Finance (Mr. MacEachen)—who are completely and utterly confused by the changes, flip flops, withdrawals, retreats, amendments, grandfather provisions, exclusions, deductions and tax credits. I understand that the tax guides presently in the hands of taxpayers are incorrect but that the tax tables are accurate. I therefore move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the status quo be in effect in every respect for the 1981 tax year and that changes proposed in the ill-fated MacEachen budget be not considered and given the hoist permanently.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

NECESSITY FOR TWO-WAY FLOW OF INFORMATION—MOTION UNDER S.O. 43

**Mr. Bob Corbett (Fundy-Royal):** Madam Speaker, whereas I and others on the Progressive Conservative fisheries committee heard repeated complaints from fishermen in New Brunswick last week that department officials are not communicating with fishermen, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

That the terms of reference of the Kirby task force be broadened to include specific means by which the communication of policy and the effect of regulations can be improved so that fishermen are not excluded from essential information and, also, that procedures be established to hear and implement proposals from fishermen prior to making policy decisions.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Fraser: Roméo said no.

Oral Questions

SMALL BUSINESS

SHORTAGE OF SKILLED LABOUR—MOTION UNDER S.O. 43

**Mr. Bill McKnight (Kindersley-Lloydminster):** Madam Speaker, in view of the fact that both the Canadian Chamber of Commerce and the Federal Business Development Bank have stated that a lack of skilled labour is the number one problem facing many members of the small business community, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That the federal government encourage more participation by women in apprenticeship programs and industrial training in order to deal with the increased skilled labour shortages which will face this country in the future.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTER OF FINANCE

MOTION UNDER S.O. 43

**Mr. Nelson A. Ellis (Kamloops-Shuswap):** Madam Speaker, I rise on a matter of urgent and pressing necessity. While all members of the House recently applauded the outstanding performance of our distinguished athletes in their downhill ski races in Europe, we are just appalled at the dismal performance of our Minister of Finance (Mr. MacEachen) as he attempts to snow the Canadian people and take our economy downhill with record high inflation, unemployment, and interest rates. Therefore I move, seconded by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish):

• (1415)

That the Prime Minister disqualify the Minister of Finance and eliminate him from competing in any further races, leadership or otherwise.

**Madam Speaker:** Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

PROJECTED RATES OF UNEMPLOYMENT

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, my question is directed to the Minister of Industry,

*Oral Questions*

Trade and Commerce who will know that a study for his department by Data Resources of Canada estimated 1,030,000 Canadians will be out of work this year. That is an unemployment rate of 8.7 per cent. Also the minister will know that the budget was based on an estimate of an unemployment rate of 7.8 per cent this year. Will the minister tell us which figure is correct—the lower figure on which the budget is based, or the higher figure prepared for his department?

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, what my hon. friend is talking about refers to already published material by Data Resources which is available for anyone to check. I like to think that nobody on either side of the House needs to look at studies of that sort to recognize that we are in a serious situation.

**Some hon. Members:** Oh, oh!

**Mr. Gray:** We are working to deal with this through programs such as the program in support of technology and enhanced productivity, involving \$93 million of expenditure, and in support of micro-electronics and advanced production machinery projects, and the programs we announced last week which were in support of auto parts and major appliances sectors. It is important for us to work to deal with the situation, not argue about figures.

## FIGURES USED IN DETERMINING BUDGET PROVISIONS

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, the government, in defence of its budget based on figures, tells Canadians not to worry about figures. The point is that the problem is known to all Canadians, the problem of Canadians being menaced with the loss of their jobs. The fact that the budget figures are wrong is known to Canadians. I asked the Minister of Industry, Trade and Commerce whether his figures or the figures on which the budget was based are wrong. He declined to answer that question. I should like him to tell us whether the budget was based on the assumption of 8.7 per cent unemployment which was forecast by his own department. If it was not, will there be changes in the budget to take account of the fact that it was based on an unemployment projection which was wrong?

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, the assumptions of the budget are set forth in the material published with it, involving forecasts by the Department of Finance with respect to various elements of the economy. My right hon. friend is not referring to a forecast carried out by my department, but to one carried out by Data Resources, something which is public and has already been published. I am sure one could find a range of other forecasts which point in various directions. That is not uncommon with respect to the work of economists. But at the same time there is no doubt we are in a very serious situation with respect to the economy and unemployment. We are working to take

tangible action in the area of job creation, and that is the important thing.

## VARIATION IN FIGURES

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, what is important when we are dealing with the budget, which will affect the future of millions of Canadians, is whether the budget was based on accurate figures. My question to the minister is very simple. He avoided answering it twice. Is the figure prepared by the consultants for his department wrong, or is the figure prepared as the basis of the budget wrong? Which figure is wrong?

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, the projections on which the budget was based were set forth in documents tabled with the budget at the time the budget speech was presented last November.

**Mr. Nielsen:** Which figure is wrong?

**Mr. Gray:** The analysis of Data Resources was done more recently. It was already made public prior to the press report on which he bases his question. If the hon. member wants to do it and is capable of doing it, he can take the two analyses and reach his own conclusions.

**Some hon. Members:** Oh, oh!

## REQUEST THAT MINISTER PROPOSE BUDGET CHANGES

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, we now have come as close as possible to the government making a clear policy statement. The minister admitted that the budget figures were out of date and that the Data Resources figures are more recent and, consequently, more accurate. An official of his own department, Mr. Thomas McCormack, director of the economic intelligence directorate, said "The worst is yet to come". He also said that "the economy is sliding faster than anyone anticipated." In other words, his own officials not only challenge the figures on which the budget was based but they challenge the government's view of economic consequences in 1982. The minister has admitted the budget is wrong. Will he tell us whether he is proposing changes in this budget to help those 1,030,000 Canadians who are faced with the prospect of losing their jobs this year? Will the minister be proposing changes in a budget that he has admitted is based on out of date figures?

• (1420)

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, I have not admitted that the budget is based on out of date figures. We are dealing with forecasts, and we can find a range of forecasts.

**Some hon. Members:** Oh, oh!

**Mr. Gray:** The important thing is that this government recognizes there is a serious economic situation, a serious situation connected with unemployment—

**Mr. Stevens:** Who caused it?

**Mr. Gray:**—and we are taking tangible action, important steps announced by myself just in the past week or so aimed at creating jobs, aimed at dealing with the situation in a tangible and meaningful way. That is the important thing, Madam Speaker.

**Mr. Nielsen:** This is a recorded announcement.

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### LABOUR CONDITIONS

#### INCREASE IN LAY-OFFS

**Hon. David Crombie (Rosedale):** Madam Speaker, my question is also for the Minister of Industry, Trade and Commerce. He will know that there is an internal government document which points out that by March of this year 175,000 more Canadians will be out of work. The minister will also know that the major areas from which those lay-offs are coming are found in the provinces of Ontario and Quebec. Would the minister at least meet with representatives from industry and labour to see if he can find alternatives to these massive lay-offs?

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, I have been meeting with representatives of industry and labour. I am certainly prepared to do so again to exchange ideas on steps to be taken. But just in the past week we have already taken a number of steps aimed at dealing with the difficult situation in sectors that are very important to the economies of Ontario and Quebec, namely, auto parts and the major appliance sectors. Certainly these announcements were very favourably received by representatives of industry and labour.

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### SOCIAL SECURITY

#### REQUEST THAT SOCIAL ASSISTANCE FUNDING BE INCREASED

**Hon. David Crombie (Rosedale):** Madam Speaker, in the absence of the minister responsible for social policy I will direct my question to the Minister of National Health and Welfare. She will know that the government has been talking recently about cutting back social assistance to the provinces. The minister will also know that the parliamentary task force on fiscal federalism unanimously recommended that the federal government should increase its share of social assistance funds to the provinces at a time of economic downturn. Given the fact that we will now have 175,000 more people looking for work by March, will the minister recommend to the govern-

### Oral Questions

ment that it accept the recommendation which was endorsed by all parties in this House so that these people can be guaranteed some relief?

**Hon. Monique Bégin (Minister of National Health and Welfare):** Madam Speaker, I thank the hon. member for giving me the opportunity to correct a very serious mistake made twice to my knowledge in recent weeks by *The Toronto Star*. I could send the hon. member a copy of the telex that I sent immediately to *The Toronto Star* which, unfortunately, has not yet been published. I do not know the origin of the mistake.

All social assistance payments in Canada are made under CAP, as my colleague knows. These payments encompass all welfare moneys and all the social services to which the federal government contributes 50 per cent, that is 50 cents on every dollar. These payments have not only been completely protected but in this current year have increased by 19 per cent to date, and we have not yet finished the year. We pay 50 cents on the dollar automatically on all social assistance expenditures. Therefore, I can give the assurance, not only of maintaining the program, but of increasing it tremendously.

\* \* \*

• (1425)

### THE ECONOMY

#### REQUEST FOR NEW MEASURES TO REDUCE UNEMPLOYMENT

**Mr. David Orlikow (Winnipeg North):** Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. He has tried to imply in his answers today that the study done for his department is just one of many and that there are different figures arrived at by different economists. The fact is that his own director of economic intelligence has substantiated the figures by saying it is likely we will have another 175,000 unemployed by March.

Now, Madam Speaker, the minister knows that if anyone can estimate the effect of the government's announced programs, which the minister has spoken of, and how much they will do to create employment, it is the people in his own department. If his own department suggests we are going to have 1,250,000 unemployed by March, obviously they do not have much confidence in his programs.

However, given the fact that yesterday or the day before the ten provincial premiers unanimously urged that his government take immediate steps to reduce interest rates to get the economy moving, I ask the minister whether he or the government have any new announcements to make to deal with this very serious problem of unemployment?

**Mr. Fraser:** Yes or no.

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, the comments reported in the press were based on forecasts made by private sector forecasting bodies,

*Oral Questions*

which are available to anyone to read, analyse, and think about. With respect to this difficult situation, just before the First Ministers' conference we announced some very important new programs focused over the next two years to support the creation of jobs, for example, \$25 million over the next two years in the auto parts sector; a program focused on creation of jobs in the major appliance sector, \$15 million over the next two years; the extension of designation of communities under the industry and labour adjustment program, to cover a number of communities in serious difficulty. We also announced a new program with a total budget of \$93 million aimed at improving the level of efficiency and productivity of all sectors of the economy, to encourage them to adopt new production processes—

**Mr. Rose:** Oh, that is nonsense.

**Mr. Gray:**—and machinery, with positive implications for employment. So, we have just taken some tangible and important steps, and I anticipate we will be developing and announcing some further steps in the coming weeks.

## REQUEST THAT INTEREST RATES BE REDUCED

**Mr. David Orlikow (Winnipeg North):** The minister has learned a great deal from that former great minister from Windsor, the Hon. Paul Martin. He learned the worst examples of how to try to baffle people.

In that short period of the Conservative government the minister was the financial critic for the Liberal party and he made a number of speeches criticizing high interest rates. Just today, Madam Speaker, the Bank of Canada announced an increase in the bank rate so it is obvious we are going into a period of rising, not declining, interest rates. That is going to do just what the minister said, increase inflation.

I would ask the minister when the government is going to take steps to reduce interest rates rather than let them go up, as the Governor of the Bank of Canada has done.

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Interest rates have come down substantially since—

Some hon. Members: Oh, oh!

**Mr. Gray:**—since their high point last August, a decline of some six points.

**Mr. McDermid:** Not as low as when you said you would resign.

**Mr. Gray:** The over-all thrust of the budget is to create a climate aimed at reducing inflation and the upward pressure on interest rates, to continue this over-all movement we have seen since last August.

**Miss MacDonald:** Nobody believes you.

## GOVERNMENT PROGRAMS

**Mr. David Orlikow (Winnipeg North):** Madam Speaker, the minister knows that all the programs which he and the Minister of Employment and Immigration have announced, if they work as the government claims, will only employ a few thousand people. Just today in *The Globe and Mail* we had announcements of lay-offs by Union Carbide, Cochrane Dunlop, Jarvis Clark—

**Madam Speaker:** Order, order. This is the third question where I feel the hon. member is really taking too much time with lengthy preambles. Would he go straight to his question?

**Mr. Orlikow:** Madam Speaker, I ask the minister once more whether the government has any programs which will really turn the economy around with a reduction in unemployment, or are we going to continue each month for the next year to have more unemployment as we have had almost every month for the last year or more?

● (1430)

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, the programs that I have been talking about, including the program announced just before Christmas by the Minister of Employment and Immigration, and intended to have a real and substantial effect on unemployment and create very substantial numbers of new jobs. We are also looking at other types of programs to have additional effects in reducing unemployment and creating more jobs.

At the same time we have to recognize that a major reason for the kinds of lay-offs mentioned by the hon. member is the weakness in the U.S. economy and in the economies of other major trading partners. It is something that, no matter how we would like to do so, we cannot escape completely, even though we have to work to deal with the needs and requirements of our own economy. Certainly the over-all approach of the budget is to create a basis for job creation and economic renewal, reducing upward pressures on interest rates and inflationary pressures. Our over-all purpose is to get these objectives in place, job creation and reducing unemployment. Let us work together to achieve those objectives.

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## AUTOMOTIVE INDUSTRY

## RE-NEGOTIATION OF CANADA-UNITED STATES AUTO PACT

**Mr. Otto Jelinek (Halton):** Madam Speaker, my question is to the Minister of Industry, Trade and Commerce who knows that one of the industries hardest hit with unemployment is the auto industry. The minister also knows that the U.S.-Canada auto pact was designed 17 years ago with the intention of giving Canada its fair share in the automotive industry. Today we have a record \$4.35 billion auto parts trade deficit with the United States. So much for fair play.



*Oral Questions*

In view of the fact that the minister has failed in his efforts to improve the situation, will he now take the only step available to him regarding the auto pact, that is, to terminate this obsolete, inadequate and unfair agreement as soon as possible and, at the same time, begin negotiations on a new deal which would be more equitable to this country? Surely we cannot continue to live in the auto industry with that auto pact, losing over \$4 billion a year.

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, the record for the period since the auto pact was signed shows very substantial increases in employment over the employment levels at the time the pact was signed, and very substantial increases in investment and production, both in finished vehicles and parts, including very substantial increases in production. The general consensus of those observing the pact has been that, although there are problem areas that have to be addressed, on balance it has worked well for Canada. Because we recognize the various problems that have been identified, we have begun consultations with the United States about improvements in areas that are of concern to us. My colleague, the Minister of State (International Trade), and myself intend to pursue these consultations over the coming months.

**INCREASE IN IMPORTATION OF JAPANESE MANUFACTURED AUTOMOBILES**

**Mr. Otto Jelinek (Halton):** Madam Speaker, this is incredible. Is the minister trying to tell us that he is satisfied with the results of the Canada-U.S. auto pact? I would like to have him tell that to the million unemployed Canadians, the unions, the industry, the auto parts manufacturers who are suffering as a result of the inaction by the minister. I have a supplementary question.

Figures also released today by Statistics Canada indicate a 25 per cent decrease in Canadian-made auto parts sold to Japan. Last year the minister said there would be an increase. It is down to \$6.6 million, while Japanese automotive imports skyrocketed by 75 per cent to \$1.5 billion in 1981. Will the minister now seriously stop fiddling around with consultations and so on and make two major demands on the Japanese if they want to continue with their bonanza sales in Canada. First, increase substantially the Canadian content in Japanese vehicles as many other western industrialized countries have done. Second, encourage Japanese investment in Canada along the lines of the Volkswagen situation. That is not too much to ask.

**Madam Speaker:** Order.

**Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion):** Madam Speaker, I have said before in this House that I like to think the arrangement we negotiated with Volkswagen, calling for a very substantial level of Canadian content, much higher than that required for motor vehicle assemblers, as well as very

substantial purchases from independent parts suppliers, will be a harbinger of similar arrangements with other companies in future.

At the same time I want to tell the hon. member that, in the discussions with Japan on arrangements with respect to restraint of exports which have just begun, the Minister of State (International Trade) and myself will ensure that our officials bring very clearly to the Japanese the fact that our economy continues to be in a difficult situation and that the recovery of the North American market for automotive vehicles has not taken place to the extent foreseen prior to this year, and that the kinds of concerns I have mentioned, and which have been echoed by my hon. friend, are very much the kinds of concerns we expect to be taken into account in the response by the Japanese.

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**ADMINISTRATION OF JUSTICE**

**RCMP ASSISTANCE TO WIFE OF CONVICTED MURDERER,  
CLIFFORD OLSON**

**Hon. Allan Lawrence (Durham-Northumberland):** Madam Speaker, last week in the House the Solicitor General was very definite in his reply to me that no other benefits or considerations had been given by the RCMP in respect of the Olson matter. I would therefore like to ask the Solicitor General if he was misleading the House, or did he simply not know that the RCMP have offered Mrs. Olson false identity papers, that the RCMP have offered Mrs. Olson full transportation and relocation expenses anywhere in Canada and, in fact, the RCMP drive Mrs. Olson in an RCMP car with an RCMP driver when she visits Okalla prison to see her husband, wait for her, and then drive her home. Are these matters referred to in the agreement which the minister so far has refused to table in the House?

**Hon. Bob Kaplan (Solicitor General):** Madam Speaker, I want to repeat what I said to the House before on this subject and what I said outside.

**Mr. Fraser:** Which version?

**Mr. Kaplan:** There is a sensitive criminal investigation which is ongoing right now, today. I do not think it would be in the public interest for me at this time to give any answers to those questions or any details of arrangements that are being discussed and possible arrangements and allegations of arrangements between the attorney general of British Columbia and his people and "E" Division of the RCMP involving other possible criminal activities of Clifford Olson.

**Mr. Lawrence:** Madam Speaker, before I ask my supplementary, I feel obliged to point out to the Solicitor General that these matters are not involved in any ongoing criminal investigation with respect to Olson or any other accomplice.

*Oral Questions*

● (1450)

**Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):** Madam Speaker, this question is the subject of consultation between Canadian officials and the fishermen involved. There were also contacts at the political level.

When the American trade ambassador, Mr. Brock, was here, both my colleague, the Minister responsible for International Trade, and myself did raise this question with the American delegation and pointed out very clearly that while we accepted conservation measures, conservation measures which would become trade barriers were not acceptable. This will be the subject of further discussion.

**SUGGESTED STAFFING OF HIGH COMMISSIONS WITH FISHERIES EXPERTS**

**Mr. Lloyd R. Crouse (South Shore):** Madam Speaker, I have a supplementary question which I believe should go to the Secretary of State for External Affairs, but in his absence perhaps the Minister of Fisheries would also endeavour to answer.

In view of the fact that there are very few people in our foreign embassies with a background of fisheries experience, I would ask if the government would give consideration to staffing more of our High Commissions in strategic fish buying countries with fisheries experts, in the hope that they may assist in expanding markets for this particularly troubled industry which is presently facing serious marketing and economic problems?

**Hon. Ed Lumley (Minister of State (International Trade)):** Madam Speaker, I would like to inform the hon. member that during the past year we have made substantial efforts with respect to the export of fish products all around the world. As a matter of fact, if my memory serves me correctly, to the end of the first eleven months, up to November 30, our exports to the United States increased by approximately 23 per cent, and exports to other countries were up approximately 19 per cent, excluding the United States. We have undertaken a special program of up to \$750,000 with respect to the export of mackerel from Newfoundland to Nigeria.

I also initiated two or three trade shows in the United States of America and we will have four or five trade shows around the world during the next four or five months to try to promote Canadian fish products.

**Mr. MacKay:** And not a single guaranteed sale.

\* \* \*

**INDIAN AFFAIRS**

**CUTBACKS IN STUDENT PROGRAM**

**Mr. Vic Althouse (Humboldt-Lake Centre):** Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. Since the minister's department has authorized a cutback in payments of \$10 per month to regis-

tered Indians who live and attend schools off reserves as regional budgets are cut, and since lawyers in his department are now saying that the department never had the necessary authority to make the payments in the first place, would the minister clarify for the House why the cutbacks are taking place, and why this useful program is being cut back?

**Hon. John C. Munro (Minister of Indian Affairs and Northern Development):** Madam Speaker, I would like to thank the hon. member for giving me notice of his question today through my department.

The department only has authority for the payment of allowances of this kind on reserve. It is my information, and I am checking into it now as a result of the hon. member's inquiries, that these Indian students are off-reserve, as well as their parents.

The reason for this is the federal responsibility for Indians on reserve. We want to utilize the moneys we have available for educational purposes to the maximum extent for Indians on reserve. We think that parents of Indians and Indian children who have moved off the reserve are paying taxes to the provinces, and the provinces should be prepared to afford them the same educational opportunities they do every other resident in the provinces. As you know, the federal government does share significantly in the educational expenses of the provinces. That has been acceptable to many provinces.

At any rate, the short answer is that we just do not have the authority for payment off-reserve.

**REQUEST THAT PROGRAM BE CONTINUED**

**Mr. Vic Althouse (Humboldt-Lake Centre):** Madam Speaker, since department policies and department economic development policies in general have helped encourage Indians to leave the reserve, and since the education of Indians is generally a federal responsibility, as I understand it, and since these Indian students have enough difficulty in completing their high school education as a result of being faced with social, cultural and economic pressures, will the minister undertake to obtain the necessary authority to continue the program that was carried out so that these students will again be encouraged to work toward the completion of their high school education? Or a very few ever make it through high school as it is.

**An hon. Member:** It will not cost you much.

**Hon. John C. Munro (Minister of Indian Affairs and Northern Development):** Madam Speaker, I cannot agree with the premise of the hon. member that the policies we are designing are encouraging Indians to leave the reserve. It is quite the opposite. In the last two years, since I have been minister of this department, we have doubled the total expenditures on Indian housing throughout Canada, and I would anticipate that next year we may even triple it in an all out attack on the question of inadequate housing for Indians.

I would also indicate that in the last budget native economic development was one of the two prime concerns listed for

massive expenditures by this government, to the tune of \$346 million starting next year. This is to encourage Indians to maintain their culture, to allow them to make their reserves economically viable so they will not have to leave them. Certainly with these breakthroughs, Madam Speaker, I would indicate to the hon. member that yes, this should free up additional moneys to afford even greater initiatives in the educational sphere for the Indian people.

\* \* \*

## FISHERIES

### KIRBY TASK FORCE—INSHORE FISHERY REPRESENTATION

**Miss Coline Campbell (South West Nova):** Madam Speaker, my question is supplementary to the answer given by the Minister of Fisheries and Oceans to the hon. member for Vancouver South.

If Mr. Kirby is considering representation from a big organization on the east coast, what about the representatives of the large inshore fishery being on that task force as advisers? I would suggest that perhaps this would be an advisory committee which would be set up with the five Atlantic provinces involved. If there is representation from a big organization, I suggest that there has to be someone there from the inshore fishery.

**Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):** Madam Speaker, perhaps the hon. member did not understand, or hear—

**Some hon. Members:** Oh, oh!

**Miss MacDonald:** It is sometimes difficult.

**Mr. LeBlanc:** The Leader of the Opposition should listen occasionally.

**Mr. Clark:** If I can find someone worth listening to.

**Mr. Hnatyshyn:** Maybe you are not quite clear enough.

**Mr. LeBlanc:** Maybe I did not express myself clearly enough. I did make the point very simply that Mr. Nicholson was not there as a representative of a large organization. In fact he resigned in order to work for the task force. I said very clearly that Mr. Kirby had made some efforts to enlist the participation of representatives of the fishermen. I think the hon. member's idea of an advisory committee is a perfectly valid one.

\* \* \*

## CANADIAN NATIONAL RAILWAYS

### TERMINATION OF JOBS

**Mr. Patrick Nowlan (Annapolis Valley-Hants):** Madam Speaker, my question is for the Minister of Transport. Is the minister aware of the story on the wire services attributed to

### Business of the House

**Mr. Lawless, President of CN Rail,** who has just confirmed that 1,800 railway jobs will be terminated, which will have a disastrous effect generally throughout the CN Railway, but in particular the Atlantic area where it will hit very hard? If he is not aware of it, will he study it and, if he is aware of it, what does he intend to do?

**Hon. Jean-Luc Pepin (Minister of Transport):** Madam Speaker, indeed I am not pleased about it at all. I am aware of these reductions in employment. This is due, of course, to a reduction in traffic which was 8 per cent in the second half of last year compared to the first half.

In making his announcement today, Mr. Lawless made the observation that because of early retirement and relocation benefits the number of people affected will be significantly less than the number of positions being abolished.

**Miss MacDonald:** It is still 1,800 people out of work.

**Mr. Pepin:** This should be borne in mind. Another point Mr. Lawless makes is that these people are entitled to supplemental employment benefits which amount to 80 per cent of their salaries. This is not by way of compensation for the jobs which will be lost, but these are two important qualifying factors in the announcement.

### RAILWAY PROFITS

**Mr. Patrick Nowlan (Annapolis Valley-Hants):** Madam Speaker, I am glad that the minister is aware of the story. I would like to point out two other factors which I hope he would discuss with Mr. Lawless, to see if he could rationalize how a Crown corporation, at a time when all Canadians are experiencing dire straits in one form or another—the loss of a job or job opportunity is about as dire as you can get—how a Crown corporation can eliminate jobs, and announce in the same story a profit of \$180 million for the year. At the same time, its competitor, CP, which is experiencing the same economic decline as is affecting this country, is not laying off one person.

**Hon. Jean-Luc Pepin (Minister of Transport):** Madam Speaker, I do not know all of the comparative details between CP and CN on that subject. CN obviously is not in the business of losing money. It is not in the business of declaring a deficit every year. This Parliament has asked CN to be run in an efficient manner, so it occasionally declares a profit. If it followed the principles implied in the hon. member's question, it would not be in a position to do that.

\* \* \*

● (1500)

## BUSINESS OF THE HOUSE

### WEEKLY STATEMENT

**Mr. Nielsen:** Madam Speaker, might I ask the government House leader the usual Thursday question relating to the

### Designation of Ministers

advance of seeking or receiving approval from the House of Commons.

I want to ask the government House leader a question concerning a matter which I raised last week and on which the parliamentary secretary to the government House leader indicated a willingness to seek an answer. It concerns the practice which has grown up in the country of the government taxing people in advance of seeking and obtaining approval from the House of Commons. I have asked both by way of a verbal question and a written question—

**Madam Speaker:** Order, please. We are in a position where I recognized a certain number of hon. members to ask questions concerning government business, and of course it led into the question which was discussed by the Right Hon. Leader of the Opposition and others. It seems to me that we must be very careful not to enter into debate on this question. The hon. minister offered to procure some information which he will transmit to those members who have been seeking clarification. I think we should leave it at that for the time being. I recognized the hon. member for Hamilton Mountain for the purpose of discussing government business. If he has any questions on government business, I will give him the floor.

**Mr. Deans:** Madam Speaker, as I was about to say, since the government House leader indicated that the ways and means motion with regard to the Income Tax Act is not about to be called, although it sits on the Order Paper, since it is apparent that there is not yet any legislation which has gone through government channels with regard to the Income Tax Act changes suggested in the budget, and since there is no legislative approval for the taxes which are already in place, when can we expect to see legislation dealing with the specific changes that are currently being enacted illegally by employers from coast to coast as a result of the direction given by the government?

[Translation]

**Mr. Pinard:** Madam Speaker, according to my hon. colleague's last comments, he wants to discuss in Parliament a case that should be discussed before the courts. Continuing the debate, he wants to know whether we have the legal right to collect in advance the taxes proposed by a budget. That is a very interesting legal point, and I should be most interested to discuss it with him. We could even consider going to court together on this case, but I think the hon. member has many times before tried to raise this subject as a matter of privilege, as a point of order and as a question on the business of the House. I agree it is a very interesting point, but I do not think it is up to this parliamentary institution to determine the legality of the procedure. To get back to the question raised by the member for Nepean-Carleton (Mr. Baker)—like the member for Yukon (Mr. Nielsen) and his leader, he too seems to be in a state of limbo. Let me reassure my hon. colleagues. I told them I would consider their comments on the government's reorganization, and that if I were able to provide any further clarification, I would do so very shortly, possibly today

or tomorrow or within the next few days. Meanwhile, I can inform the members of the opposition that there is absolutely nothing illegal about the procedure in question. I advise them to read very carefully the Government Organization Act, 1970, and they will realize that the ministries of State to which they referred are perfectly legal. Meanwhile, while I am trying to understand exactly what it is the Leader of the Opposition (Mr. Clark) wants to know and what is upsetting him, I should like to repeat that there is absolutely nothing illegal about this procedure. The Leader of the Opposition could perhaps take this opportunity to read and understand the Government Organization Act, 1970, and ask for clarification if necessary.

[English]

**Mr. Deans:** Madam Speaker, I have one final question. Since the government House leader is so able to inform the Leader of the Opposition that there is nothing illegal with regard to the appointment of new ministers and their new responsibilities, why can he not give the same assurances with respect to the imposition of taxes?

[Translation]

**Mr. Pinard:** Madam Speaker, my hon. colleague wants to know my personal opinion. He himself referred earlier to parliamentary practice. It is obvious that in this case, the legality of the measure would be based on parliamentary practice and not on legislation, since there is none.

\* \* \*

[English]

### PRIVILEGE

MR. PARKER—HYDRO RATES FOR RESIDENTS OF FIELD, B.C.

**Mr. Sid Parker (Kootenay East-Revelstoke):** Madam Speaker, I rise on a question of privilege of which I have given notice relating to today's proceedings on the matter of the unacceptably high hydro rates faced by Field residents. In a letter addressed to me on October 26, 1981 the Minister of the Environment (Mr. Roberts) indicated that Parks Canada was preparing to negotiate with the Northern Canada Power Commission a hydro rate reduction for residents of Field, British Columbia, who now face the threat of having their hydro service cut off.

My question of privilege concerns the fact that when a minister makes a written commitment I expect him to carry it out. I should like to supply Madam Speaker with the information, and if you find that I have a question of privilege, I would like it brought before the Standing Committee on Privileges and Elections.

**Madam Speaker:** I do not think that will be necessary because the question raised by the hon. member does not constitute a matter of privilege. It is perhaps a grievance which the hon. member might have against the minister's actions, but it is certainly not a question of privilege.

● (1520)

**ROUTINE PROCEEDINGS**

[Translation]

**COMMITTEES OF THE HOUSE****LABOUR, MANPOWER AND IMMIGRATION**

Fourth Report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

**JUSTICE AND LEGAL AFFAIRS**

Third Report of Standing Committee on Justice and Legal Affairs—Mr. Dubois.

[Editor's Note: For above reports, see today's Votes and Proceedings.]

\* \* \*

[English]

**QUESTIONS ON THE ORDER PAPER**

(Questions answered orally are indicated by an asterisk.)

**Mr. David Smith (Parliamentary Secretary to President of the Privy Council):** Madam Speaker, the following questions will be answered today: Nos. 3,213, 3,232, 3,333, 3,519 and 3,534.

[Text]

**RAILWAY PASSENGER SERVICE**

**Question No. 3,213—Mr. Cossitt:**

1. Did VIA Rail Canada Inc. announce that turbo railway equipment would be used on passenger runs on the basis of one run a day between Toronto and Montreal with stops at Guildwood, Cobourg, Belleville, Kingston and Cornwall?

2. Was Brockville left off this list and, if so (a) for what reason (b) what were the names and job designations of all the persons in VIA Rail or in the government who had any part in leaving Brockville off the list?

3. What is the population of (a) Cobourg (b) Brockville?

4. Will the government take immediate steps to order Via Rail to have the train stop in Brockville and, if not, for what reason?

5. Is it government policy to permit VIA Rail to downgrade railway passenger service for the city of Brockville in the constituency of Leeds—Grenville and, if so, on what date will this policy be changed to one that will provide more adequate service?

**Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport):** The management of VIA Rail Canada Inc. and Transport Canada advise as follows:

1. It is VIA's intention to substitute turbo equipment for conventional equipment on trains 64-65 as soon as the availability of new LRC cars makes this possible. It had been intended that this would occur on October 25 but unavailability of LRC's means that turbos will remain on trains 66-67 for the time being. There has been no change in the stops scheduled for trains 64-65 as a result of this change in equipment. The pattern of stops on this train west of Kingston was

**Order Paper Questions**

determined by previous service offered prior to June 1 by local trains 652-655. On June 1 this train was extended through to Montreal from Toronto with additional stops at Cornwall and Dorval.

2. (a) and (b) Trains 64 and 65 when instituted on June 1/81 were designed as a Rapido service with the intention of developing substantially increased business between Toronto and Montreal as part of VIA's longer range corridor program. There was no service reduction involved at Brockville. The decision with respect to the operation of this train was taken by VIA management as a whole.

3. (a) Cobourg 11,379; (b) Brockville 19,700.

4. Consistent with the minimum service specifications set by the Canadian Transport Commission (CTC) and by the government in its contractual agreements with VIA, decisions concerning the level and kind of service provided by VIA are within the corporation's purview as manager of the rail passenger system.

In light of this mandate and the fact that the level of the rail passenger service to Brockville is not diminished by the choice of equipment to be used by trains 64 and 65, intervention by the federal government to increase the frequency of service to Brockville as suggested is not justified.

It should be noted as well that, if a community considers its rail passenger service is inadequate, an application for increased service can be made to the CTC.

5. Parts 2 and 4 of this answer have emphasized that there has been no downgrading of railway passenger service for the city of Brockville.

**ADVERTISING CAMPAIGN IN PROVINCE OF QUEBEC**

**Question No. 3,232—Mr. Cossitt:**

1. In the fall of 1980, did the government announce the expenditure of approximately \$1,000,000 for an advertising campaign in the province of Quebec promoting the Prime Minister's views on the constitutional resolutions within the province of Quebec and, if so, what are the names and job designations of all persons who played any part in the decision and what are all the reasons justifying a government policy of using public funds to promote Liberal party policies not passed at the time by Parliament?

2. Will the government seek reimbursement from the Liberal Party of Canada for any public funds spent in this manner and (a) if so, on what date (b) if not, for what reason?

**Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development):** 1. No. However, during the fall of 1981, the government did run an advertising campaign in the province of Quebec which was designed to inform the population of Quebec on the proposed resolution which was before Parliament at that time. The amount of money spent was \$982,000. The campaign was authorized by the Minister of Justice, the Hon. Jean Chrétien, and developed by the Canadian United Information Office.

In a speech on November 25, 1981, the Hon. Gerald Regan, Secretary of State, restated the federal government's policy on advertising: "In addition to explaining programs and legislation which have been approved by Parliament, the government

*Order Paper Questions*

has a duty to inform the public of its proposals before they have been decided by Parliament. This principle recognizes that without factual information about the government's proposals, and the issues being addressed, the public does not have the opportunity to make its views fully known to the legislators, based on good information."

2. No. See part 1 above.

## UNIDENTIFIED MISSING AIRCRAFT

Question No. 3,333—**Mr. Skelly:**

Did searchers locate an unidentified missing aircraft at the bottom of Nowich Inlet on the central coast of British Columbia last summer while searching for an aircraft missing on a flight from Klemu to Bella Bella and, if so, has the Department of Transport taken action to recover and identify the aircraft and its occupants at Nowich Inlet and what was such action?

**Mr. Robert Beckstael (Parliamentary Secretary to Minister of Transport):** Transport Canada advises as follows:

A search and rescue report received from the Rescue and Co-ordination Centre Maritime Forces Pacific makes no mention of locating an unidentified aircraft at the bottom of Nowich Inlet, B.C. The report does state "sonar scan indicated an angular metallic object about 25 feet long protruding 13 feet from the floor of Nowich Inlet in the vicinity of an oil slick".

Since no aircraft has been reported missing, Transport Canada has no mandate to pursue this matter further.

## PURCHASE OF CARS

Question No. 3,519—**Mr. Cossitt:**

1. Did the Department of Supply and Services recently award a contract for the purchase of automobiles for the Department of Transport to an automobile dealer in Brockville in the constituency of Leeds-Grenville in the amount of \$24,642 and, if so, on what date were tenders called?

2. (a) Were the tenders called by public advertisement and, if so, what were the names of those who tendered and the amount of each bid (b) were the tenders invited and, if so, what were the names of those invited, the names of those who submitted tenders and what was the amount of each bid?

3. What were the complete details of the vehicles required and what was the breakdown of all tenders for each vehicle?

**Hon. J.-J. Blais (Minister of Supply and Services):** 1. Yes, DSS awarded a contract in the amount of \$24,642 for the Department of Transport to Ford on behalf of Braden Ford Sales, Brockville, Ontario.

2. (a) No.

(b) In conformity to standard procedure, bids were requested from American Motors Canada Inc., Chrysler Canada Ltd., Ford Motor Co. of Canada Ltd. and General Motors Products of Canada Ltd., each of whom are responsible for obtaining prices from their local dealers and submitting an offer to the Department of Supply and Services. These offers are assessed and the contract is awarded to the lowest responsive bidder. For this requirement Ford submitted the lowest bid on behalf of Braden Ford Sales, Brockville, Ont. in the amount of \$8,214 each. General Motors submitted the only other bid of

\$8,468.45 each on behalf of Bob Crawford Chevrolet and Oldsmobile Ltd.

3. The requirement was for three intermediate size six cylinder, four door stationwagons, with heavy duty battery, AM radio, full size spare tire and rim and class I trailer towing package.

## NUMISMATIC COIN SALES OUTSIDE CANADA

Question No. 3,534—**Mr. Cossitt:**

At any time in recent years, did the Royal Canadian Mint sell numismatic coins outside Canada at lower prices than the prices paid for the same items inside Canada and, if so (a) what were all the details, including the names of the agents acting for the Mint (b) what time periods were involved (c) what were all the reasons for such action (d) who authorized the practice and was Mr. Yvon Gariepy, former Master of the Mint, involved in any way (e) did this practice cease and, if so, on what date?

**Hon. J.-J. Blais (Minister of Supply and Services):** I am informed by the Royal Canadian Mint as follows: No.

\* \* \*

[English]

## QUESTION PASSED AS ORDER FOR RETURN

**Mr. David Smith (Parliamentary Secretary to President of the Privy Council):** Madam Speaker, if question No. 3,491 could be made an order for return, this return would be tabled immediately.

[Translation]

**Madam Speaker:** The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House to have question No. 3,491 made an order for return?

Some hon. Members: Agreed.

[Text]

## INTEREST PAID ON TRUST ACCOUNTS

Question No. 3,491—**Mr. Schellenberger:**

1. Does the interest paid on trust accounts relate to the Bank of Canada rate and (a) if so, how (b) if not, upon which public available instrument is it based and how?

2. What is the balance in the account as of April 1, 1981 for the (a) Montana Band in the district of Edmonton/Hobbema in the Alberta region (b) Saddle Lake Tribal Administration in the Alberta region (c) Sarcee Band in the district of Blackfoot/Stoney in the Alberta region (d) Stoney Tribal Association in the Alberta region (e) Whitefish Lake #41 Band in the district of Lesser Slave Lake in the Alberta region (f) Acadia Band in the district of Nova Scotia in the Atlantic region (g) Bear River Band in the district of Nova Scotia in the Atlantic region (h) Pictou Landing Band in the district of Nova Scotia in the Atlantic region (i) Red Bank Band in the district of New Brunswick in the Atlantic region (j) Sydney Band in the district of Nova Scotia in the Atlantic region (k) Tobique Band in the district of New Brunswick in the Atlantic region (l) Truro Band in the district of Nova Scotia in the Atlantic region (m) Alkali Lake Band in the district of Williams Lake in the British Columbia region (n) Bella Coola Band in the district of Vancouver in the British Columbia region (o) Coldwater Band in the district of Central Vancouver in the British Columbia region (p) Cowichan Band in the district of Nanaimo in the British Columbia

region (q) Lower Nicola Band in the district of Central Vancouver in the British Columbia region (r) Kamloops Band in the district of Kamloops in the British Columbia region (s) Kitasoo Band in the district of Bellaçoola in the British Columbia region (t) Nootich Band in the district of Central Vancouver in the British Columbia region (u) Omelca Band in the district of Prince George in the British Columbia region (v) Spallumcheen Band in the district of Central Vancouver in the British Columbia region (w) Toosey Band in the district of Williams Lake in the British Columbia region (x) Upper Nicola Band in the district of Central Vancouver in the British Columbia region (y) Shackan Band in the district of Central Vancouver in the British Columbia region (z) Buffalo Point Band in the region of Manitoba (aa) Churchill Band in the district of Thompson in the Manitoba region (bb) Dauphin River Band in the Manitoba region (cc) Fairford Band in the Manitoba region (dd) Fisher River Band in the Manitoba region (ee) Ood's Lake Band in the district of Island Lake in the Manitoba region (ff) Norway House Band in the Manitoba region (gg) Shoal River Band in the Manitoba region (hh) Split Lake Band in the district of Thompson in the Manitoba region (ii) Valley River Band in the Manitoba region (jj) Ft. McPherson Band in the Northwest Territories region (kk) Alderville Band in the district of Peterborough in the Ontario region (ll) Big Grassy Band in the district of Fort Frances in the Ontario region (mm) Chippewas of Sarnia Band in the district of London in the Ontario region (nn) Chippewas of the Thames Band in the district of London in the Ontario region (oo) Constance Lake Band in the district of Nakina in the Ontario region (pp) Fort William Band in the district of Lakehead in the Ontario region (qq) Hiawatha Band in the district of Peterborough in the Ontario region (rr) Iroquois of St. Regis Band in the district of Peterborough in the Ontario region (sa) Lac la Croix Band in the district of Fort Frances in the Ontario region (tt) Magnetawan Band in the district of Sudbury in the Ontario region (uu) Mattagamí Band in the district of Sudbury in the Ontario region (vv) Michipicoten Band in the district of Sudbury in the Ontario region (ww) Mississauga Reserve #8 Band in the district of Sudbury in the Ontario region (xx) Mohawks of the Bay of Quinte Band in the district of Peterborough in the Ontario region (yy) Muncey of the Thames Band in the district of London in the Ontario region (zz) Nipissing Band in the district of Sudbury in the Ontario region (aaa) Pic Heron Bay Band in the district of Thunder Bay in the Ontario region (bbb) Pic Moberg Band in the district of Lakehead in the Ontario region (ccc) Shoal Lake Band #39 in the district of Kenora in the Ontario region (ddd) Temagami Band in the district of Sudbury in the Ontario region (eee) Walpole Band in the district of London in the Ontario region (fff) Walpole Island Band in the district of London in the Ontario region (ggg) Wikwemikong Unceded Reserve Band in the district of Sudbury in the Ontario region (hhh) Mohawk Council of Kanawake (Caughnawaga) Band in the district of Montreal in the Quebec region (iii) Montagnais du Lac St. Jean Band in the district of Pointe-à-Blanc in the Quebec region (ljj) Odanak Band in the district of Montreal in the Quebec region (kkk) River Desert Band in the district of Montreal in the Quebec region (lll) Gordon #86 Band in the district of Touchwood File Hills Qu'Appelle in the Saskatchewan region (mmm) Key Band in the district of Yorkton in the Saskatchewan region (nnn) Pia Pot Band in the district of Touchwood File Hills Qu'Appelle in the Saskatchewan region (ooo) Poorman Band in the district of Touchwood File Hills Qu'Appelle in the Saskatchewan region (ppp) Sakimay Band in the district of Yorkton in the Saskatchewan region (qqq) Starblanket #83 Band in the district of Touchwood File Hills Qu'Appelle in the Saskatchewan region (rrr) Carmacks Band in the district and region of Yukon (sss) Dawson Band in the district and region of Yukon (ttt) Mayo Band in the district and region of Yukon (uuu) Old Crow Band in the district and region of Yukon (vvv) Ross River Band in the district and region of Yukon (www) White Horse Band in the district and region of Yukon?

3. For each of the accounts listed in Part 2, what would be the differential in value of the trust account if funds had been invested, since the funds' conception or 1949 whichever is the lesser time period, in (a) 91-day Government of Canada Treasury Bills (b) 180-day Government of Canada Treasury Bills (c) 1-year Government of Canada Treasury Bonds (d) 10-year Government of Canada Treasury Bonds (e) a premium bank savings account (f) 90-day short term deposits in a Canadian bank?

4. What is the current population of each band and reserves affected by the trust accounts listed in Part 2?

5. Does the government intend to audit the trust accounts of the 75 bands which submitted Band Council Resolutions requesting this action?

Return tabled.

### Employment

[English]

Mr. Paproski: Madam Speaker, I refer to question No. 2,214, which has been on the Order Paper since March 10, 1981. I have asked the Parliamentary Secretary to the President of the Privy Council about getting an answer to my question, which reads as follows:

1. During the period January 1, 1980 to January 31, 1981, what amount was allocated by the government to each ethnic group in Canada and, in each case (a) what was the group's origin and mailing address (b) on what date (c) for what purpose (d) under which program (e) what was the amount originally requested?

2. For the same period, what amount was allocated by the government to each ethnic publication and/or newspaper in Canada and, in each case (a) what was the publication's and/or newspaper's ethnic origin and mailing address (b) on what date (c) for what purpose (d) under which program (e) what was the amount originally requested (f) was it a grant or an advertising fee and, if an advertising fee, what was the text of the advertisement?

Surely, the Minister of State for Multiculturalism should know what is going on in his department. If he cannot answer those simple questions, why does he not resign?

Mr. Smith: Madam Speaker, needless to say I will pursue with all diligence the representations on behalf of the hon. member.

Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

## GOVERNMENT ORDERS

[English]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—JOB OPPORTUNITIES FOR CANADIANS

Hon. David Crombie (Rosedale) moved:

That this House condemn the Government for its deliberate failure to create job opportunities for Canadians.

Mr. Nielsen: Madam Speaker, I rise on a brief point of order. At our House leaders' meeting this morning, we agreed that in this debate all speeches would be limited to 20 minutes in accordance with a submitted schedule which has been approved by the government House leader and the House leader of the New Democratic Party. I will get a copy of that schedule and provide it to the Chair.

Madam Speaker: The Chair will see that the agreement is implemented. Is it agreed?

Some hon. Members: Agreed.

*Employment*

Mr. Crombie: Madam Speaker, like most members of Parliament who go back to their constituencies from time to time, or travel across the country attending public meetings, or are involved in task forces or other things, I have been struck by what people have had to say about the economy, what is happening to their part of the country, indeed even their neighbourhood. Most people know what is happening best by what happens to them directly. Most people can speak to members of Parliament with a clear understanding of what it is that is bothering them. If I can use an old-fashioned phrase, they know what they know.

People know that our problems are not unique. They do not spend all of the time talking about how bad the government is; they have a broader perspective of what is happening in the world than official spokesmen give them credit for. People know that throughout the world, particularly the industrialized western world, we are going through a time of incredible fundamental change. People are aware that the economic difficulties are worldwide; they know those difficulties are related somehow to new energy prices. People are aware that these difficulties are related to technological change which will significantly change the work place over the next generation.

People know that others are suffering from unemployment. They know that others are suffering from a loss of productivity. People know that in other parts of the world there has been a head-on crash between economic realities and social expectations. They know that most countries in the world are trying to come up with solutions, are trying experiments to deal with what they know to be a worldwide problem. People are aware that if the wood producing industry in Canada is in grave difficulty, it is also experiencing difficulty in Japan. They know that West Germany is experimenting with early retirement at the age of 45, that there are experiments in France with massive public sector employment opportunities. They know that the United States is experimenting with so-called supply side economics or Reaganomics. People know that throughout the world there are a tremendous number of experiments and attempts to cope with what is considered to be a world problem.

People also know when they look at the record of this country's ability to deal with that worldwide problem that that record is awful. They get their information from television, radio, newspapers and from talking to one another. People know that although there is a worldwide problem and the forces that beset us are also outside the borders of this country, they know in their hearts that this country is not doing the job. Even if people do not know the figures, they know that Canada has slipped further and further behind in its world standing.

For instance, in 1968 this country's standard of living was the third highest in the world. It was second to Sweden and the United States. In 1980, Canada was no longer in third place but had dropped to thirteenth. Canada is now behind Switzerland, Norway, Denmark, Luxembourg, Belgium, The Netherlands and Finland—I could go on and on. But people know that Canada's standard of living has dropped and that our world standing is that of thirteenth place.

People know that our industrial productivity is second worst in the whole industrialized world. Between 1977 and 1980, Mr. Speaker, our productivity rose by only 2.3 per cent. The countries of Italy, Sweden, France, Germany and the United Kingdom were far ahead of us in industrial productivity. They also know that the reason for the loss of industrial productivity is because the government opposite, for well over a decade, has refused to do anything of any practical value to have a long-term effect in the field of research and development.

● (1530)

They also know this country has a cost of borrowing higher than any other industrialized country. We are now in the neighbourhood of an 18 per cent prime. Germany is at 15.4, France is 14 and the United Kingdom is at 15. They know this country's record on the cost of borrowing for the things they need is the worst in the industrialized world. They know—and this is a most telling statistic—that in terms of economic growth and performance we are now the twenty-first out of 24 nations in the industrialized western world.

They do not carry those figures around in their heads, Mr. Speaker, but they know that our attempt to cope with the worldwide problem has been an utter failure. That is why the motion before you is one which says that it is not merely job opportunities that is the problem; it is the government's deliberate policy which has created the difficulty for which we now have rising unemployment, the worst since the depression of the 1930s. They also know that that deliberate and fundamental policy of the government is one that says that in order to fight inflation interest rates have to go up, and therefore unemployment must be created.

Unemployment in this country, Mr. Speaker, is not a happenstance; it is not something which happened on the way to doing something else. The incredibly high levels of unemployment in Canada are a consequence of the deliberate policy of the government. That they know. If they required any further understanding of that, it was clear to them when they read the budget and it was brought home to them that, as we looked and peeled away at it, it was animated by the same philosophy which said the only way this government can deal with the future of this country, as they see it, is to create more unemployment. That is how simply they understand it, and that of course is the simple truth.

Now, Mr. Speaker, people I have talked to, not only in Toronto but in other parts of the country, are not looking around for easy or slick solutions. They know we have to protect the dollar. They know that if it goes down to the seventies it will create further inflation and therefore further unemployment. They worry about the dollar. They do not want it to go down because they know its bad effects in practical terms. What they are opposed to is the way in which the government has proceeded to deal with inflation, because they are unwilling to accept that the price of the government's policy should be a continuation of deliberately increasing unemployment in Canada.



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We are no longer talking about words in an economist's manual. We are not talking, Mr. Speaker, about some figures the advises of the Minister of Finance (Mr. MacEachen) can offer him for speeches. They know we have over a million unemployed and we just found out there will be another 175,000 unemployed by March. They know that this morning the CNR laid off 1,800 people. When those things happen they ask the government, they ask all of us, Mr. Speaker, not to look at the figures but to look at what the true face of unemployment really is.

If you have ever been without a job and without much hope of getting one, Mr. Speaker, it affects everything in the whole of your world. To every person the whole world is themselves. That is what they understand best about it. Employment means they can do things they dream about doing for their own futures; unemployment means the opposite. It is the frustration, the despair, the sense of lost opportunity and self-esteem, and the increasing loss of confidence in oneself. That is what affects them. That is why the anger in people begins at a low level and gets higher and higher. Unemployment, and the government's deliberate policy of creating it, is something they are no longer willing to accept because it means their own destruction.

The reason I dwell on it, Mr. Speaker, is that when we are in an economic downturn, historically it is like going to war: most people think it is the other guy who is going to get shot and that is what keeps them going. However, if it increasingly hits your neighbours who have been doing pretty well and all of a sudden are not, then it comes home to them more and more. It is the cost to them in human terms which is the reason the government's policy is bound to fail, Mr. Speaker, because it will not be accepted any longer by the people of this country.

People want that policy improved and made more fair. Canadians have a great instinct for being fair. They want that policy to be fair. If we need to have interest rates at such high levels in order to protect the dollar, if that is the reason—and that is the reason given by the Bank of Canada—then there should at least be some shield or protection for those segments of our society who cannot protect themselves. That is why people were angry at the budget. They understand the part about protecting the dollar. What they do not understand is why the government insists that they need not provide protection for those who cannot help themselves.

That is why, Mr. Speaker, in our budget two years ago we included tax credits for people who were going to be hurt by energy prices, and for those who have mortgages.

There are certain things the government is able to do to protect those segments of society who cannot protect themselves from a policy which acts like a meat cleaver. People want a little more sophistication from the government and not the single, brutal reliance on the regressive aspects of high interest rates.

**Some hon. Members:** Hear, hear!

**Mr. Crombie:** Not only do they want protection for certain segments of our society, but they also want to begin the

process of recovery. I need to repeat that word, because I listened to the Prime Minister (Mr. Trudeau) the other day, I listened to other people at the federal-provincial conference, and what struck me was that no one was really talking about the necessity of recovery. It seems that we have accepted the idea that the whole matter is some kind of sub-zero game, that we have nothing more to expand, that we have nowhere else to go, and that we can do nothing but cut the pie up into a lot of pieces and give less and less to everybody. That is the sickness that people see.

● (1540)

**Some hon. Members:** Hear, hear!

**Mr. Crombie:** That is what they are worried about. That is why all working people, whether they are organized or non-organized, know that it is important to have investment, and that the only way we will have recovery is through investment in the private sector. However, the budget went ahead and struck out the major, fundamental incentives for people to invest so that people could have jobs. That was when they understood that the government was not intent on recovery. We need protection concerning this interest rate policy, we need investment for recovery, and we also need job training.

I notice that the Minister of Employment and Immigration (Mr. Axworthy) is in the House. People understand that a new economic world is being born and that an old one is withering away. Times change. It has happened before. Generations of Canadians have had to cope with that change. What they do not understand is a federal government which is unwilling or unable, or both, to create a co-operative environment whereby job training can occur between the federal-provincial governments and between labour and business. They do not consider a policy of confrontation and divisiveness to be one which will put them on the road to recovery. It is not good enough for the minister simply to shoot from the hip and say, "This is where I want to go". The minister and the government cannot create jobs in this country through job retraining, so they can be ready for the recovery as it comes, without the active participation of the provinces, the municipalities and the private sector.

**Some hon. Members:** Hear, hear!

**Mr. Crombie:** The minister and his government have spent most of their time making sure that we do not have that co-operative environment, because they think it is probably good for their politics. Canadians understand co-operation. They understand it in their Constitution. They certainly understand the importance of investment and co-operation between the private and public sectors and between levels of government.

Let me conclude by stating what I consider to be the major problem. Because of the government's inability in job creation, the government's inability to create an environment for private sector investment, the government's inability to protect people who cannot help themselves against the high interest rates, the major victims have been the Canadian people who have lost

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their sense of faith and hope in the country. People sum it up best, I guess, when they ask, "Hey, what is happening to this country?" That is what they ask, and Liberal members opposite are asked the same question. "What is happening to the country?" There has been a feeling of a loss of faith and hope which the government is instilling in people's minds. That is the ultimate sin which the government is creating through its economic policies.

The tragedy of the government's policies with respect to deliberately creating unemployment is that the one thing upon which people have always been able to rely in hard times will be removed; that is, their confidence that the government will be there to help them and not to hurt them. So far, the only news people have been hearing from this government is that it will hurt them some more.

**Mr. Kelly:** What was your campaign motto in '80, David?

**Mr. Crombie:** There is the hon. member from Ottawa again—

**Mr. Nielsen:** No.

**Mr. Crombie:** He is the hon. member for Scarborough Centre (Mr. Kelly), I am sorry.

**Mr. Nielsen:** The yappy one.

**Mr. Crombie:** The hon. member might want to spend a little more time—

**Mr. Kelly:** I do.

**Mr. Crombie:**—in that riding, because I know that area extremely well; in fact, I will be speaking there next week. That hon. member will not be coming back because those people know that he supports those policies and why they harm them. I hope he will at least go to see those constituents rather than stand in the back and yell at other people.

**Some hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Ethier):** I regret to interrupt the hon. gentleman, but there was an agreement earlier in this House that each hon. member would speak for only 20 minutes. If wishes to continue, it will have to be with the unanimous consent of the House.

**Some hon. Members:** Agreed.

**The Acting Speaker (Mr. Ethier):** Is that agreed? It is so ordered. The hon. member for Rosedale.

**Mr. Crombie:** I just wanted to say that that was as good an example as any I know of why people are angry with the government's policy. It is because they do not have any faith that the government will do anything other than attempt to shift the blame on to someone else. It is time the government changed.

**Some hon. Members:** Hear, hear!

**Hon. Lloyd Axworthy (Minister of Employment and Immigration):** Mr. Speaker, I want to say to the House that we welcome this opportunity to be able to exchange views and debate this issue which is one of great concern and significance in this country.

I was very pleased to note that the hon. member for Rosedale (Mr. Crombie) admitted at the beginning of his speech, contrary to the statements made by many of his colleagues, that this is not an isolated event which is happening only in Canada, but that it is part of a malaise which is affecting the entire industrial world. Unemployment rates in the United States are higher than ours; they are higher in Great Britain, they are higher in France, they are higher in Italy and they are higher in Belgium. Simply, all it points out is the ability of the industrial world to adjust to many of the economic shocks which have gone through our system in the last several years.

As we well know, we are in need of new approaches and of serious re-examination of many of our basic principles. That is why I think it is probably time that hon. members opposite also examined their basic principles, because if the Canadian people know that it is not only a matter of a made in Canada problem but that it is a world-wide problem, they also know that hon. members of the opposition have been offering very contradictory advice as to what to do about it. The kind of advice we hear from the hon. member for Rosedale is quite contrary to what we hear from the hon. member for York-Peel (Mr. Stevens), who says, "Cut back and restrain, do not stimulate and do not spend"; while the hon. member for Rosedale says quite the opposite.

**Mr. Crombie:** I got it from him.

**Mr. Axworthy:** What we are really faced with is a basic illogicality.

**Miss MacDonald:** An illogicality of government.

**Mr. Axworthy:** Because both the hon. member for Rosedale and the Conservative party are saying it is a world-wide problem, and then all of a sudden it comes around to being our fault as a government. I think it is a fault which is shared by many in our society.

**Miss MacDonald:** Step aside if you can't take it on as minister.

**Mr. Axworthy:** I would like to ask the hon. lady, the hon. member for Kingston and the Islands (Miss MacDonald), how she will explain her party's stand on new foreign policy in South Africa. It would be very interesting to hear what they have to say about that.

**Miss MacDonald:** Explain yours on El Salvador!

**Mr. Axworthy:** The fact is that it is a serious problem, but I think what is important to recognize is that many things are being done to solve it. I think the basic flaw in the statement of the hon. member for Rosedale is that he is not prepared to

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acknowledge that the efforts we are making are having an effect. He can argue whether they are right or wrong, but to say that nothing is being done is simply a speech based upon ignorance. He knows that many initiatives have been taken in the area of job creation and that many initiatives are targeted to meet the needs of those who are experiencing the problem most severely.

Right now this government has created 100,000 direct employment jobs for 1981-82. I would remind members of this House that it was the Conservative party, when it was in government, which cancelled direct employment programs. Therefore, if the Conservative party were in power, there would be nothing at all available to help those communities which need assistance in direct employment programs. That happens to be the truth. That is a fact.

**Some hon. Members:** Hear, hear!

**Mr. Kempling:** What a bunch of garbage!

**Mr. Axworthy:** The budget of the Conservative party cancelled any money or any resources for direct employment programs, programs under which its members of Parliament are now calling daily, saying, "Can we have more money for the fisheries in British Columbia", or for the natives up in Athabasca, or for the people in the maritimes. It was their government which cancelled the programs, and we are creating 100,000 direct employment jobs.

**Mr. McDermid:** That's a lie!

**Mr. Axworthy:** If it is a lie, I would ask the hon. member to go back and check his figures, because it is not a lie. The Conservative party cancelled these programs and we brought them back into effect. We are now creating over 100,000 jobs this year.

**Mr. McDermid:** Your own staff says it is a fallacy!

**Mr. Axworthy:** One hundred thousand jobs are being created through direct investment by this government in direct employment programs, the LEAP program, the CCDP and the CCSP programs.

**Mr. Kempling:** Tell us about the \$150 million you blew on manpower training.

**Mr. Axworthy:** The hon. member for Rosedale wants new experience? Those programs are providing 7,000 jobs for the physically handicapped in this country, programs which were not available under his government.

**Mr. McDermid:** For ten months, and then you cast them off.

**Mr. Axworthy:** We are providing jobs for those working in the social service areas, in the day care centres and the crisis centres. They are providing work for women and young people. The LEAP program provides a high degree of employment for native people in this country. We are providing direct employ-

ment because we feel we can target those resources most effectively where it hurts most.

• (1550)

In the meantime, beyond that particular orbit, we have allocated as part of our economic strategy \$60 billion of investment in economic development programs in this country over the next five years, \$60 billion to create jobs in the regions of this country. We have put in money to create 2,000 jobs in New Brunswick through the Mitel Corporation, the St. John's dry dock, and the F-18 fighter which is creating a lot of jobs in the territory of the hon. member for Rosedale, metropolitan Toronto. Money is going into the northeast coal projects and into Petro-Canada. In other words, there is a direct investment program.

A program was announced last week by the minister of DREE, \$93 million in the microtechnology area. We believe we must provide assistance in those areas of the economy in which there is a growth potential. We believe we must provide an incentive in those areas.

The hon. member for Rosedale talked about the budget. He said the budget is anti-incentive. Those are strange words coming from the mouth of the member of a party which prides itself on its commitment to free enterprise. Now they are claiming special privileges for incentives. Basically what we did was to reduce the marginal tax rate for the risk-takers and entrepreneurs so that they would have more capital and could decide for themselves how to use it. They would not have the cost-sharing that may go into films or oil development. We place a better trust in the judgment of the entrepreneur, putting more capital into their hands to invest in job creation rather than using specially constructed cost incentives.

That is the party of free enterprise and it is now saying, please do not do that, please do not cut taxes for risk-takers, don't cut back the marginal rate, don't provide across-the-board incentives. They want us to provide special privilege incentives for their friends. We believe the best way to ensure a general incentive for the business community is to reduce their taxes, bring the rates down so that they can have more capital in their hands to invest back into the business community.

It is about time the business community recognizes that they should not be spoon-fed. We are putting money in their hands so they can make judgments about the investment opportunities that they think are the best allocations of their own funds. The problem with members opposite is that they are illogical and inconsistent in their advice. On the one hand they say we should eliminate free enterprise within the market system. On the other hand they say we should not rely on the market system but give special privileges.

As the third part of that strategy they have recognized that we are going through major problems of adjustment in this country. There are technological changes. There are major changes in the industrial structure of Canada. The people must be protected and given security in those kinds of changes. As a

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result, we have brought in a number of special programs to deal with that.

Just before Christmas we brought in special programs dealing with work-sharing and job-sharing under the unemployment insurance program. Right now there are several hundred applications on our desk. We have already signed over ten work-sharing concepts which have saved hundreds of jobs in Canada by working out with the unions, private employers and the federal government a way of extending the work week of the workers of British Columbia, Manitoba, Ontario and the maritimes.

The hon. member for Rosedale says nothing is going on. I ask him to look at the work sharing concept introduced before Christmas it is being received with a great deal of acceptance by a number of governments and private employers. The hon. member cannot have it both ways. He cannot say we are not doing anything and totally ignore the initiative we took on work sharing and job creation under the unemployment insurance program.

We have applied in those communities that are hard hit a number of special job placement measures, mobility measures and training measures. The people of Canada know those programs. They are at our offices every day asking to be included in them. It is only the members of the opposition who do not seem to know they exist. If they would read their mail more frequently, they could provide better information to their constituents about what is available. Rather than coming to the House of Commons, raising false alarms, ringing the bell and saying there is fire everywhere, they would be doing a much better service to this country if they simply provided the information to the businessmen and labour unions in their constituency to ensure they know what is available.

At the same time we have introduced the ILAP program to help communities particularly hard-hit by giving them a range of assistance in industrial investment, labour adjustments, mobility grants and training assistance. Contrary to what the hon. member from Hamilton indicated in the press two weeks ago, in those four communities since last fall the figures show that we have helped over 17,000 workers to get training, new placements or direct jobs. In those four communities designated under the ILAP program, in that short period we have provided assistance to 17,000 workers. That is not a total absence of policy. It is an experiment initiative to target in on those communities particularly hard hit by industrial change, dislocation and lay-offs.

We have just added to those communities four additional communities, making a total of eight. In addition we have designated the industrial areas of appliances and auto parts for special assistance. Therefore, we are attempting to provide those basic supports for the workers and businesses in those communities and provide alternative employment and job creation efforts.

I deny categorically the comments and statements made by the hon. member for Rosedale that nothing is being done. There is a basic, unreasoning flaw in his resolution to this House because it does not happen to be true. If the hon.

member had come forward and said we should be looking at other alternatives, presenting new ideas, different kinds of initiatives that we might examine, we in this House would have been more than willing to listen and accept.

We do not pretend we have all the answers. We do not pretend that there are magic solutions. We hope that all members on both sides of this House will put their creative minds to work to develop answers to the job situation, because it is serious. We must respond to it. The hon. member simply comes to this House with blanket condemnations, wholesale denunciation, great appeals to the empathy of people, saying we must do more. We want to do more.

There is a certain presumptuousness on the part of hon. members opposite. They say they are the only ones who care. That is absolute nonsense. Members on this side of the House, backbenchers and ministers, spend a lot of hours each day working on programs.

**An hon. Member:** Where are they?

**Mr. Axworthy:** We are working on programs that we are delivering to their communities. The hon. member for Brant (Mr. Blackburn) came to my office three weeks ago asking that Brantford receive an ILAP designation, which it did. That member of Parliament was doing his job, not like some of the big mouths in that corner who simply cry, howl and yell with all kinds of rhetorical alarms. The NDP member for Brant did his job as a member of Parliament. He said there were problems in his community and he wanted some assistance. As a result of the representations he made, as well as those made by members of that community, the municipal council and the member of the legislature for that area, we were able to designate Brantford for special treatment. That is the kind of effort we must make and we must provide far more co-operation.

• (1600)

When the hon. member for Rosedale talks about confrontation in training programs, I would say that he is simply reading his own press releases. He is not looking at what in fact happened. The fact of the matter is that we consider the provision of a new training program essential to the economic growth of Canada to improve the productivity of workers.

The fact of the matter is that the government spends close to \$900 million to train Canadians. Unfortunately, large amounts of that money are spent on training people for jobs which no longer exist, jobs for surplus occupations. Consequently, we thought it absolutely essential that we begin to change our training programs.

The hon. member talks about confrontation, and I would like to tell him how much confrontation there was. First, we put out a report for public consultation, consulted with the provincial governments last fall, then we had discussions with close to 200 organizations across Canada. We then had a federal-provincial meeting which resulted in an agreement.

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I am amazed that a member of the House of Commons, one whom I respect, one of the finest mayors in Canada, would stand up and play a political posturing game and say that it was based upon confrontation. The fact is that we now have in place proposals for a new national training program which would allocate money for training in areas with job potential. We will offer to the provinces major capital investments to modernize their training institutions. We will develop a new forecasting system for training so that we can operate with the private sector and provincial governments to develop more accurate projections as to where the shortfall in skilled workers will be so we can provide remedies for those shortfalls.

Right now, provincial government officials are meeting with our officials to discuss those proposals and work out joint projects. We will be meeting again. Is this an example of confrontation, when we are working toward an agreement for new training programs? The only confrontation is that which exists in the minds of members opposite. The only conflict is in the mind of the hon. member for Rosedale, because that is what he wants to see. He wants to conjure up this scenario of the federal government being at war with the provinces. We are not at war with the provinces over training, Mr. Speaker. What we do have to say to the provinces and to many institutions is that too many regions of our country are training people for jobs that do not exist. Four out of nine people in our training programs are being trained for jobs which do not exist. Of our people being trained, 30 per cent are ending up on unemployment.

We have to change our priorities. As one of my colleagues said, certain provinces were training more hairdressers and barbers than there were heads to cut. Surely a federal government which is spending \$900 million must have a sense of priority as to where the money is to be spent. I am thankful that the provinces are now accepting those priorities. We took the leadership in establishing those priorities. I believe it is the responsibility of the federal government to take leadership in those areas, but to work completely with the provincial governments and the private sector in the reallocation of moneys and those training programs.

So, Mr. Speaker, this could be a useful debate today. I think it is an important debate and that Canadians are looking forward to it. But it should be a debate based upon facts and realities, not upon fiction and rhetoric, which is what we unfortunately heard from the hon. member for Rosedale. He did not do himself or his party much of a service by simply getting up and again repeating the same old song, singing the same tune, instead of coming forward with constructive solutions, with a positive approach and suggesting that we work together to solve these problems.

We are presently examining our employment programs. We are trying to find answers and are looking at the problem of the employment of young people and special groups in this country. We want to develop new measures which can be used more effectively, to get a much better and more efficient use of the moneys we have. We are in the process of doing that and have been in this process for several months. The training

program was the first instalment of a major change in our labour market programs. But it is based upon the co-operation of all sectors. We certainly wish for the collaboration of members opposite in coming up with ideas because many of them have worked in this field and may have good ideas based upon their experiences. We will not get those ideas if all we get from them is conflict and confrontation, if what we receive from them is not a willingness to work together but to work apart.

I think, Mr. Speaker, that Canadians do expect their members of Parliament to try to find better answers, good answers to the problem of unemployment. I would offer to members opposite the chance to use this debate to come forward with those kind of ideas. I, for one, will listen to them and make sure that cabinet hears them. But if we simply hear again the old song that nothing is being done, that all is going to wrack and ruin, then this debate will go for naught, Mr. Speaker, and Canadians will be the poorer for it.

**Miss Carney:** On a point of order, Mr. Speaker. If the minister still has some time, Mr. Speaker, I wonder if he would answer a question?

**The Acting Speaker (Mr. Ethier):** That can only be done with unanimous consent since the hon. minister's time has just expired.

**An hon. Member:** No.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I listened with a good deal of interest to the speech just completed by the Minister of Employment and Immigration (Mr. Axworthy). There was really only one thing he said with which I could agree and that was his wish that today's debate could be useful. Beyond that, Mr. Speaker, I had to wonder whether the minister was talking about the country we both live in. It seemed to me that he was talking about another country, and maybe even another planet.

But I must keep in mind that, with that exception of the short-lived nine months of Conservative government, we have had a Liberal government continuously since 1963—almost 20 years. We have more unemployment now than we have ever had, and for the first time in our history we have more than a million people unemployed on a seasonally adjusted basis. We have the highest rate of inflation that we have ever experienced in our history. I must ask myself, why is this so? Where were all these wonderful programs which the minister told us about? Why did they not work? Since they did not work, how can the minister tell us that everything is fine?

Let us examine the record. For the last month for which figures are available, there were more than a million unemployed on a seasonally adjusted basis. This is despite the fact that the labour force declined and that there were 122,000 fewer jobs in December than September and 57,000 fewer jobs between November and December alone. There is the report about which questions were asked today which indicates that there will be another 175,000 people unemployed by March. I found the answers given by the Minister of Industry, Trade

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and Commerce (Mr. Gray) to the questions unbelievable. Mr. McCormack, who is the director of economic intelligence in the minister's own department, pointed out in his comments on the report which was released that Quebec and Ontario will continue to bear the brunt of economic recession, that there were 312,000 unemployed people in Ontario in December, up 17 per cent from a year earlier. It is the autoworkers represented in Parliament by the Minister of Industry, Trade and Commerce who are feeling the brunt of the recession. It is workers represented by Liberal members from Ontario and Quebec who are bearing the brunt in a recession caused by the policies of the government.

In his opening remarks to the economic conference, the Prime Minister (Mr. Trudeau) said, as quoted in *The Globe and Mail*:

—Ottawa has "little choice but to let our interest rates keep pace with—indeed, sometimes exceed—those set in the United States."

And short-term stimulative policies "would unacceptably risk our chances of reducing inflation and lowering our interest rates in the longer run, while achieving only marginal and temporary employment gains."

The Liberal government has abdicated its responsibility to manage the affairs of the country. It has turned these responsibilities over to the Governor of the Bank of Canada. We have been following his advice to show restraint for the last five or six years. He has told us that we must have high interest rates. The result of those policies which were initiated by the Governor of the Bank of Canada, agreed to by the senior bureaucrats in the Department of Finance and accepted by the government, has been higher inflation and higher unemployment.

Let us review the situation. When the government implemented wage and price controls in 1975, the reason it gave was that the inflation rate was unacceptable. At that time inflation was running at 10.5 per cent. It is now running at over 12 per cent. In the last five years unemployment has risen by about 400,000, despite the restraints the government has imposed on the economy.

• (1610)

The Premiers of all ten provinces are now in Ottawa meeting with the federal government, and what are they saying? They are united. All of them have unanimously issued a plea to the government to cut interest rates and to concentrate on the creation of jobs. The government has again said it cannot do it. Are the Premiers wrong? The Prime Minister says they are wrong. In that short period in 1979-80 when we had a Conservative government the present Minister of Industry, Trade and Commerce, who at that time was the financial critic for the Liberal opposition, made a speech here in Parliament on November 6, 1979 at a time when the Conservative government was taking the same advice from the Governor of the Bank of Canada as the Liberals had before and as they are again. I remind members of Parliament that it was the Conservative government which reappointed the Governor of the Bank of Canada to a further term. This is what the present Minister of Industry, Trade and Commerce said at that time about high interest rates:

These high interest rates cut back the ability of factories and businesses generally to expand, to create more production and jobs. These high interest rates limit the ability of business, especially small business, simply to operate at basic non-inflationary levels. Therefore these high interest rates mean losses of production and jobs now and over the coming winter months.

The minister was dead right back then. We wish the government would listen to the advice the minister gave the then Conservative government when the Liberals were in opposition.

In answer to questions today, the Minister of Industry, Trade and Commerce said interest rates are lower now than they were some months ago, and that is true. It is significant that the rate announced today is up from what it was last week, and it is likely that interest rates will increase in the coming months.

In answers to questions over the last couple of weeks and in defending the policies and programs of the government the Minister of Finance (Mr. MacEachen) has suggested that things will be all right because at some time later on this year—in the summer or the fall—the American economy will pick up and that, of course, if the American economy picks up, the Canadian economy will keep in step with it. The only people who believe the American economy will pick up in the later part of 1982 are those few people around President Reagan in the United States, the Governor of the Bank of Canada and the senior bureaucrats in the Department of Finance.

**Mr. Blaikie:** All of whom belong in the looney bin.

**Mr. Orlikov:** One need only look at what is happening on the stock market in the United States to realize that the business community in the United States knows that Reaganomics will not work, because stock prices are continuing to plummet rather than rise. Americans are looking at a budget deficit because of tax cuts, particularly for those in the high income brackets, which President Reagan instituted and because of the sharp increases in defence expenditures he is proposing to implement. Americans are looking at a deficit of somewhere between \$75 billion and \$100 billion this year. That means that the United States government will go to the market to borrow that money. That will drive interest rates up rather than down.

The Governor of the Bank of Canada, supported by the Prime Minister and the Minister of Finance—and supported by the former Conservative minister of finance when he was in office—has committed us to keeping our interest rates close to and somewhat higher than American interest rates. The result must be that interest rates will go up rather than down in the latter part of 1982, and the result will be more inflation, a business slowdown and more unemployment. That is what the policies of the government will mean.

I listened to the Minister of Employment and Immigration give us a quick run-down of new government programs as he sees them. Now is not the time to analyse them in detail, but the minister told us about new programs for training, work sharing and job creation. He told us about IRAP. He gave the

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impression that these programs were developed in co-operation with the provinces, and in co-operation and after consultation with labour and industry. The minister might believe that, but it is not true. If he talks to labour people—unions representing steel workers in Sept-Îles and Schefferville appeared before a parliamentary committee—he will learn that the IRAP is not working, despite what he says. I say to the minister that all these programs were developed unilaterally by the minister and his department, as has always been the case since that department was formed. There have been no real consultations or discussions with labour, management or the provinces. That is why the new programs he has announced will be failures, just as were earlier programs developed by his department under him or other ministers in the bureaucratic, centralist way they always operate.

We cannot isolate this country from the world. The world is in an economic slowdown. The world is suffering in a recession. We cannot isolate ourselves from that. But there is no reason why the people of this country should suffer more than the people of almost every other industrialized country in the world.

The hon. member for Rosedale (Mr. Crombie) pointed out that the standard of living in Canada, which used to be the third highest in the world, has dropped to thirteenth. It has dropped because we have not developed the resources we have. It has dropped because we have adopted the wrong kinds of economic and fiscal policies. As the Premiers have indicated, we need a lower interest rate policy. We need a Canadian interest rate policy. Again I say that the Governor of the Bank of Canada is dead wrong, but even if a Canadian interest rate policy means that the Canadian dollar will drop a couple of cents in relation to the American dollar, and even if it means we have to put some controls on the movement of capital, we need a government which is really prepared to play an activist role. We need a government which is prepared to sit down with industry, labour and the provinces and plan the things we need to do to get this country moving again.

Surely even this government, as remiss as it has been, must realize that there are no shortages of tasks which need to be done and can be done. We have the necessary manpower and raw materials to do the things which need to be done. It is obvious that our transportation system is not able to move enough of the grain, potash and minerals we could sell. We need a major restructuring of our rail system. What did we hear today? The CNR has announced the lay-off of 1,800 people in the very near future. What could be more stupid than that? When we need to modernize our rail system and, therefore, to hire more people to do this work, the CNR is laying off 1,800 people. We need to plan to use our tremendous undeveloped energy resources such as oil, gas and hydro. In Quebec, Manitoba and British Columbia, just to mention three cases, there are tremendous hydro resources which could be harnessed and used to meet our energy needs rather than using oil and gas which, when depleted, are gone forever. The provinces cannot move in that direction at this time because they cannot afford it. These are examples of cases where the

federal government should be prepared to move in and co-operate financially with the provinces to get things going.

• (1620)

We require a major push to clean up the environment. I have seen figures which indicate that in countries such as Sweden the pulp and paper industries obtain 70 per cent of their energy from the waste products which our companies in most cases just dump into our rivers and lakes.

The Minister of Employment and Immigration knows that there are thousands of homes in Winnipeg, as there are in many other older cities, which are 100 or more years old and require major renovations, yet the construction industry is faced with perhaps a 20 per cent unemployment rate.

Canada has the worst record of any industrialized country in the western world in terms of our efforts and expenditures on scientific research and development. In the last year we allocated nine-tenths of 1 per cent of the gross national product to research and development. Every other country in the western world, as well as Japan spent anywhere from 1.5 per cent to 2.5 per cent of the gross national product on research and development. Therefore, it is not surprising that new products, processes and techniques are being developed in other countries and not in Canada. One major reason we spend so little money and put so little effort into research and development is that our major manufacturing industries are largely branch plants of multinational corporations. They are not interested in doing research in Canada, particularly in a time of recession. One cannot blame them for doing their research and development at their head offices which are usually located in the United States. What has the Liberal government done to encourage major corporations to conduct more research in Canada? Virtually nothing.

A couple of years ago we saw figures which indicated that the Ford Motor Company did several billion dollars worth of business in Canada but did not have a single Ph.D. graduate doing research work here. There must be a major increase in our effort if we are to turn around our manufacturing industries. The bulk of manufacturing in Canada is concentrated in Ontario and Quebec. Our manufacturing industries are losing 2,000 to 3,000 jobs per day. The Canadian Manufacturers' Association, certainly no radical organization, predicted that in the next short while another 100,000 jobs will be lost.

Mr. Nielsen: The figure is 175,000.

Mr. Orlikow: The report today indicated 175,000, but in a brief which it submitted several weeks ago the figure was 100,000. Whichever figure one uses, it indicates a disaster in the coming months. Everyone in the country, whether involved in labour, industry or the educational system, with the exception of hon. members on the government side of the House, knows that the country is in deep trouble. Instead of facing up to the trouble, rethinking what it has done and realizing that most of what the government has done in recent years has failed, we hear the type of direction suggested today by the Minister of Employment and Immigration.

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**The Acting Speaker (Mr. Ethier):** Order. I regret to interrupt the hon. member but his allotted time has expired. According to House order, I now recognize the hon. Parliamentary Secretary to President of the Treasury Board (Mr. Kelly).

**Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, a few moments ago I participated in this debate in a rather unofficial manner when I shouted a few remarks across the way to the hon. member for Rosedale (Mr. Crombie).

**Mr. Nielsen:** Are you now apologizing?

**Mr. Kelly:** I am not apologizing because I have discovered that heckling is an honourable tradition of the House. It has been my experience that hon. members of the official opposition probably give better than they receive. Under those circumstances I do not think official apologies are warranted.

**Mr. Blaikie:** Because the government is so richly deserving of everything it receives.

**Mr. Kelly:** No. I think it is a function of opposition. After a party has been in opposition for 18 years, it has refined the art of heckling.

**Mr. Roberts:** They do not have much else to do.

**Mr. Kelly:** I interrupted the hon. member for a few short seconds by asking him what was the motto of his party in the 1980 election campaign. Since I knew it, I found that his presentation this afternoon was perhaps one of his most dishonest and intellectually backward speeches in the House since I have been here.

**Mr. Nielsen:** The land is strong!

**Mr. Kelly:** He flailed the government because in his eyes it was doing things which hurt Canadians. This was intolerable, if not evil, in his eyes.

**Mr. McDermid:** Hear, hear!

**Mr. Kelly:** What was the motto of his party in the 1980 election campaign? He did not inform the House, so it is my privilege to redress his error. The motto of his party was: "Short-term pain for long-term gain".

**Mr. Epp:** What was your party's motto?

**Mr. Kelly:** For any member of that party opposite to stand up in the House and say that his party—

**Mr. McDermid:** Your party's motto is: "Long-term pain for no gain".

**Mr. Kelly:** — would not have inflicted those horrible results upon the Canadian electorate, when they know it was quite prepared to do it—

**Mr. Nielsen:** I am standing, I am standing.

**Mr. Kelly:** —could be nothing else but dishonest. I do not blame hon. members opposite for trying glibly to slide around the policy position they took two years ago. They knew then that some tough decisions had to be taken—

**Mr. McDermid:** And you defeated our budget.

**Mr. Kelly:** —and now in their mock rhetoric they insist that decisions do not have to be tough.

**Mr. McDermid:** We are not saying that.

**Mr. Kelly:** In the interests of honesty, if they believed that tough decisions had to be made then, surely they believe that some tough decisions have to be made now.

**Mr. McDermid:** We made tough decisions but we helped those people who needed it most.

**Mr. Kelly:** If I may respond to the comment of the hon. member, I think the government has a fine record of helping those who need help the most.

**Mr. McDermid:** Tell us about the energy tax.

**Mr. Kelly:** Of course, the important thing is not to make tough decisions; the important thing is to make wise decisions. Some of these wise decisions may have to be tough or they may have an element of toughness to them, but if they are perceived as being wise and fair—

● (1630)

**Mr. McDermid:** There isn't a Canadian who thinks you wise.

**Mr. Kelly:** —then those decisions will have to be recognized by all members of this House as being the right decisions.

The two preceding speakers brought to the attention of the House that Canada's position in the hierarchy of the nation's standard of living has declined precipitously. I agree with him. Our relative position has declined. But Canada's standard of living has not fallen. Canada's standard of living has not risen as rapidly as other countries.

**Mr. Nielsen:** You are trying to catch up?

**Mr. Kelly:** The basic explanation for that does not lie primarily in domestic political policies. The explanation for that, as hon. gentlemen opposite know quite well, lies outside of this country with the economies of other areas and other regions.

The European economies, as everyone across the way knows, were devastated during the Second World War. It took them over two decades to recuperate.

**Mr. McDermid:** Are you saying we need a war?

**Mr. Kelly:** By the 1970s those European economies were producing on a level that surpassed their productivity of pre-war days. In other words, the answer to hon. gentlemen opposite is that we were number three in an age when compet-



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ing industrial societies or countries of this world were picking themselves up economically and had yet to begin to compete effectively with us with the modern industrial plants which they had constructed in the post-war decades. Now, because those countries have rebuilt their economies and rebuilt them in a more efficient way, they are competing more effectively than we are. We have lost ground relatively speaking to those economies.

I am not ashamed of that loss of ground. I want hon. members to understand why that occurred. What hon. gentlemen opposite also always ignore is the fact that there has emerged into the world economy a number of extraordinarily super-rich oil states in the Middle East. These countries have so much oil and so few people that their standards of living are extraordinarily high. Their emergence has helped to push Canada down the scale.

I do not want to belabour the point but I do want to introduce into this debate, so that people will understand, the fact that our competitive position in the world and our standard of living has been affected, our rating, by forces that are outside our boundaries and beyond our control.

What I want to do now is to take a look at our employment record. That is the issue for debate this afternoon. One of the strange aspects of our employment record is that while Canada has the best employment record of any western industrialized country during the 1970s and into the 1980s, we have at the same time one of the worst unemployment records. This is a curious anomaly. How can a country proportionately create more jobs than any other country in the world while at the same time suffer from one of the worst unemployment records? It hardly seems feasible.

**Mr. Blaikie:** It is called Liberalism.

**Mr. Kelly:** In the time I have remaining I want to suggest a number of explanations that lie beyond government policy and government control.

**Mr. Blaikie:** Say something, then.

**Mr. McDermid:** Do they buy this in Scarborough?

**Mr. Kelly:** Yes, they do. They know it is delivered both with insight and sincerity.

One of the reasons we have an unemployment level that is higher than any of us would like to see, higher than any of us find comfortable, is the fact that we have a branch plant economy.

**Some hon. Members:** Hear, hear!

**Mr. Nickerson:** Have you figured that out?

**Mr. Kelly:** In an age when labour costs are becoming an increasingly more important component of the cost of a product, head offices of many multinational companies are closing their expensive Canadian plants and moving operations elsewhere.

One of the members on this side of the House was talking to a manufacturing delegation the other day. One gentleman in that delegation decried the fact that in the city in which his plant was located they have to pay their labour \$10 per hour and were therefore looking forward to moving to one of the states in the American south—

**Mr. Ogle:** Slave country, obviously.

**Mr. Kelly:**—because labour rates in the American south were \$5 per hour. As the conversation was reported to me, it looked as though that company was on the verge of closing its plant in one city in Ontario and moving its operations to the southern United States. I do not know how many hundreds of people would be laid off in those plants or how many thousands of people have been laid off across Canada because of decisions like that, but people have lost jobs for those reasons. Those reasons have absolutely nothing to do with the policies of this government.

**Some hon. Members:** Oh, oh!

**Mr. Kelly:** This government has not set wage rates. This government has not insisted on high levels of payment. It is a natural functioning of the economy as it develops in the latter part of the twentieth century. It is cheaper for businesses to move plants elsewhere. Regrettably, Canadians have to pay the price.

**Mr. McDermid:** It is the Canadian plants that are moving which frighten us.

**Mr. Kelly:** The government response to that, of course, should not be that of hon. gentleman opposite to rent our clothing, to tear out our hair or to fumble for all the worse case scenarios that we can project in this debate. The important thing for a government to do in a situation like this is to make sure that in the months and years ahead this government creates nationwide retraining programs so that any worker who loses his or her job can look forward to immediate and effective retraining for a future career.

If hon. members look carefully at the policies that have been introduced recently by the hon. minister, they will find that is exactly what this government is doing. It has made a commitment to those workers that their interests and their concerns will be addressed as quickly and as effectively as possible.

I would hope in future debate concerning the provinces and retraining that instead of having critics on the other side of the House we will have allies. If hon. members are honest in their positions, that is exactly what they should be, allies and not critics of the policies of the minister.

**Some hon. Members:** Oh, oh!

**Mr. Kelly:** One of the most important influences on unemployment levels in Canada has been the slump in our foreign markets. There is not a member in this House who does not realize, or should realize by now, that we export roughly 25 per cent to 30 per cent of all the goods we can produce.

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**Mr. Ogle:** You just said that Canada had the largest surplus ever the other day.

**Mr. Kelly:** Because we export so much of what we produce, we are the greatest per capita trading nation in the world. We trade more than the Americans, the Germans, the French and the Japanese.

Because we trade so much, any rise or fall in demand in foreign markets, will help or hurt us severely. The latter is what has happened in the last few years. A drop in demand in the United States, Western Europe and Japan because of recession—and the Japanese are not immune to these forces, as hon. members opposite should know and tell the Canadian people—has meant that we are not selling as much as we used to, and because of that we have lost a lot of jobs. That is obvious, Mr. Speaker, and there is nothing in there that I see of government policy.

● (1640)

Government policy did not create a recession in these other countries. We did not tell them to stop buying goods or cut back. We have to understand that, Mr. Speaker. We cannot rant and rail against this government because of that.

**Mr. Blaikie:** I know you can't.

**Mr. Kelly:** This government faces the same problems that other governments and countries face—a simple lack of international demand. The key, Mr. Speaker, in a situation like that is again not to yell and hurl insults at each other. They key is to figure out what kind of policies we can introduce as quickly as possible that will find alternate employment for Canadians who have lost their jobs in those industries affected by a slump in our export markets.

I think the Prime Minister (Mr. Trudeau tabled a document at the first ministers' conference two days ago which addressed that situation directly and candidly. Over \$400 billion will be invested in resource megaprojects in this decade alone. If we add to that the revitalization of our economic base, close to \$1 trillion will be invested in Canadian industry in the 1980s. That is a fantastic amount of money. The Prime Minister has stated, boldly I think and so far without credit in the press, that he is prepared substantially and materially to assist in the funding of those projects. But I hear nothing from the hon. members opposite. Not that I am expecting praise, frankly—

**Mr. Nielsen:** For what?

**Mr. Kelly:** —but I would expect some recognition of those policies, an indication that they are prepared to promote them in the interests of the unemployed workers on whose behalf they are posturing this afternoon.

There is another reason Mr. Speaker, why we are regretfully experiencing more unemployment than we had anticipated. Over the last few years, in consultation and in agreement with the member states with whom we do business, we have been lowering our tariffs. Now, I cannot remember too many voices raised in this House by spokesmen of the opposition

parties deploring that lowering of trade barriers. Regrettably, one of the results of that lowering of trade barriers has been that certain parts of our industrial sector have proved to be uncompetitive with the foreign industries now selling their goods in Canada.

One alternative to a situation like that, frankly, is to reintroduce the tariffs. However, I have not heard anyone on the other side insist that we go back to the high tariff days that marked Canada in the nineteenth and most of the twentieth century. This is because we know there are benefits to lower tariffs. We know they give us in the long run cheaper goods for our consumers, and we know that competition will ultimately produce a leaner, more efficient and more productive industrial base in Canada.

Now, the hon. gentleman opposite was shaking his head in total disbelief. He just could not believe I would advance these arguments in explanation of the unemployment levels we are experiencing today. Mr. Speaker, I would ask him, if he is participating in this debate, to prove me wrong.

**Mr. Nielsen:** Your time is up.

**Mr. Kelly:** I would ask any member opposite to prove me wrong.

**The Acting Speaker (Mr. Ethier):** Order, please. I regret to interrupt the hon. gentleman.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Ethier):** It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Esquimalt-Saanich (Mr. Munro)—External Affairs—McDougall Report—Query respecting departmental reorganization. b) Role of Minister; the hon. member for Mississauga South (Mr. Blenkarn)—Industry—Effect of high interest rates. b) Canadian Admiral Corporation in receivership. c) Importation of foreign manufactured appliances.

## GOVERNMENT ORDERS

[Translation]

### BUSINESS OF SUPPLY

#### ALLOTTED DAY, S.O. 58—JOB OPPORTUNITIES FOR CANADIANS

The House resumed debate on the motion by Mr. Crombie:

That this House condemns the government for its deliberate failure to create job opportunities for Canadians.

**Hon. Roch La Salle (Joliette):** Mr. Speaker, since I also come from a province where unemployment is pretty high, I should like to take advantage of this opposition day to speak to the motion by my colleague, the hon. member for Rosedale (Mr. Crombie), a motion that, I feel, is very apt, considering the incredible size and impact of unemployment in Canada. I was absolutely flabbergasted when I heard government members say we had failed to come up with satisfactory proposals to turn around the present situation. I was also surprised and disappointed when I heard the last two speeches. First, the Parliamentary Secretary to the President of the Treasury Board (Mr. Kelly) told us that he needed allies, not critics. Well, the New Democratic Party was his ally for quite some time. However, the alliance did not turn out to their advantage, and I hope the NDP will never again make the mistake of supporting a government that betrayed us for so long. I also heard him repeat, as did the minister earlier, that it was not the government's fault. The situation is so complex that it all depends on what our neighbours do, and the government has no responsibility for the present situation! Now that is what I would call government by irresponsibility and incompetence.

Today, with the track record this government has had for fifteen years, I do not think their wishy-washy defence of the present situation will go down well with Canadians. The previous speaker mentioned that budgets for the next four or five years were estimated to run into billions and billions of dollars. Fifteen years ago, I think the budget was about \$10 billion. We have one now that is worth \$60 billion, and what have we got, Mr. Speaker: 300,000 workers unemployed in 1968 and more than a million in 1982. So I really wonder how much unemployment the projected \$60 billion will get us, assuming that the government and its philosophy remain the same.

I also heard the minister say he had proposed a large number of programs. Since he is in the House today, I should like to tell him that he has not made the slightest dent in the philosophy followed by his predecessors. He is merely upholding the policies of a government that circumstances oblige him to defend. He really cannot be anxious to face the Canadian people today, considering the results of this government's policies. He has merely continued to defend a philosophy that is leading this country into bankruptcy. I am not saying the minister did not try to do something about the economy, but his programs are woefully inadequate to cope with the present

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situation. They cannot prevent the loss of 175,000 jobs in the next few months. When the minister tells us about occupational training, he should realize that it is because there were not enough of these programs five or ten years ago that we have this problem today. People say this country has the best job creation record, compared to other industrialized countries, but at the same time it has the highest unemployment rate. And the previous speaker fails to understand how this is possible.

● (1650)

If we had developed training programs, if we had done more research to modernize our traditional plants ten years ago, we would not be in this situation of losing two jobs every time one job is created. This is something that the Minister of Employment and Immigration (Mr. Axworthy) should understand, and instead of asking us to excuse the Minister, as the hon. member did earlier, we should be asked to forgive this incompetence. The Canadian people should be told: As the Liberals alone know the truth you must understand that they did not purposely create this unfortunate situation from which Canadians are now suffering. I am sorry, Mr. Speaker! but I believe that we, in the opposition, have the duty day after day to tell Canadians about this disaster and this gigantic economic failure.

We have succeeded for a while in putting aside the constitutional debate. Let us now talk of bread and butter issues. Every day, television, radio and newspapers give us bad news, and the public is concerned and uncertain. As recently as twelve or eighteen months ago, thousands of unemployed hoped to find a job, but now there are thousands of employed workers who are terribly worried that they might lose their job. This insecurity cannot continue, Mr. Speaker! The Minister and the members of the government will ask us to help them but they have been incompetent and we certainly have the duty to condemn them and denounce them to the public. They no longer deserve the confidence of the Canadian people. Their type of administration and their abilities no longer meet the needs of Canada.

This week, we hold a federal-provincial conference, which may not be yet over. Ten premiers got together to denounce the economic policy of the federal government. The Minister of Employment and Immigration will try to tell us that what he is doing is right, but ten premiers representing ten provinces, not members of the official opposition, are now denouncing the government and asking for an emergency plan. Of course, members opposite will tell us once again about their good will, about their good intentions, about programs worth millions! What should be done immediately, Mr. Speaker, is to develop an emergency plan to stop plants from closing all over Canada. Quebec is greatly affected by this problem.

Mr. Speaker, nothing in the budget gives us any hope that the problem will be solved in the short term. Some will say

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that we are asking for investments as well as cuts in spending. Of course, because in politics you have to make choices Mr. Speaker. We will have to do so. Canada cannot afford to lose again some 100,000 or 200,000 jobs under the present circumstances? This is the question which the government after consideration, will have to answer. The Minister of Employment and Immigration cannot assure us that because of his programs, factories will not shut down, which hurts us as thousands of Canadians, but government members remain indifferent to those who are now suffering. I say again that such behaviour is typical of a callous government. I cannot be overemphasized that the Canadian people reject such inaction on the part of the government in such tragic circumstances, to be exposed. Last year, there were over 8,000 bankruptcies in Canada of which 40 per cent in Quebec. In June 1981, there were some 300,000 unemployed in Quebec.

In the month of December, 347,000 Quebecers were unemployed. Naturally some Quebec members will hold the provincial government responsible for that because there is no love lost between them. Here in Ottawa, they blame the United States or they say our plants are not quite as technologically advanced as are some others. Indeed, that is precisely what the previous speaker illustrated earlier when he said that certain countries did manage to upgrade their industry while we fell somewhat short of the mark. He showed that the government has failed to act and provide enough funds to spur research with a view to protecting our traditional sectors. The fact remains that if they had been more perceptive, they would have used those funds to revamp and modernize the industrial sector. The minister said that nobody had come up with constructive suggestions. To enlighten the minister, I would say that yesterday Quebec proposed a \$200 million plan and urged the federal government to assume 75 per cent of the costs. This was to launch an immediate revival so as to avoid—I am not too sure how I should put this—to ask this government to take this opportunity to help one of the Canadian provinces which is more seriously affected because of its unemployment rate and to put an end to the series of plant closures. A \$200 million plan. That is what we are asking the government, and we have shown that if they had taken our advice and offered preferential interest rates to homeowners the construction industry would be booming. The government did not want to have anything to do with that and we can see the results today: thousands of housing units are not being built, so thousands of kitchen and bedroom sets as well as TV sets and refrigerators remain unsold throughout Canada.

The death of the construction industry has been costly in terms of unemployment and destructive at the economic level. Those are measures we had been advocating for quite some time. The minister just does not know which way to turn because the government has lost all its initiative. It does have a few programs which are nothing more than camouflaged unemployment insurance schemes. The government is finding out that our neighbours are putting up such a fierce competition that we have fallen behind and that we have a long way to go before we can catch up and provide the funds and imple-

ment the policies which will keep our industry afloat. Today, we would like to hold out our hand to those hon. members and tell them that we forgive them their incompetence and failure. Canadians need a government that is clear-sighted enough to help them solve their problems. Canadians want to work. The fact is that 40 per cent of all the unemployed today are 18 to 25 years old, and this is a serious threat to our social climate, for indeed those young people were in a sense betrayed after having been promised a bright future provided they carry on with their studies, and now they find themselves without jobs.

Under those circumstances, there is no doubt that it is our duty as the official opposition to call for emergency measures, to blame a government that has failed so completely in that respect. I could not miss this opportunity of reminding this government that an emergency plan is a must, that we can no longer tolerate plant closures at the rate which prevailed in 1981; besides, none of the programs introduced by the Minister of Employment and Immigration nor any of the budget proposals will ever bring about a solution to the problem in the near future. I am sure all the hon. members opposite are fully aware of it. I have no doubt that those programs were well-meant, but I say that they will not solve, certainly not in the short run, our present difficulties. That is why, Mr. Speaker, I join the hon. members on this side of the House in trying to stir up a sense of responsibility in the government members. I trust we will also manage to prompt the responsible ministers into taking positive action in order to meet the requests of the provinces. There has been talk of greater consultation with the unions, with businessmen and with the provinces and that it is a necessity. Of course the minister has replied that they were willing to discuss with the provinces.

● (1700)

Again yesterday, at the federal-provincial conference, the provinces asked for and insisted on that type of negotiation, of co-operation with the federal government, in connection with the serious situation which now prevails. But once again the Minister of Finance has turned a deaf ear. We know full well, as all Canadians must also, that this government has now proven that during the forthcoming six months it will not budge an inch with regard to the philosophy which has led it and is now leading the country to bankruptcy. We hope that by speaking on behalf of so many Canadians who have had more than their fair share of worry and suffering, we shall be able to convince the Minister of Finance that he should formulate far more practical proposals and develop an economic philosophy that recognizes the needs of the Canadian people whom we all represent here in this House. In view of the gravity of the situation, I hope that today the government members will be shamed into taking some kind of action. It is useless to work on their sense of pride, since they have no pride.

If I were the Minister of Employment and Immigration (Mr. Axworthy), I should have been ashamed to rise in this House today, to try and convince the Canadian people that I was able to provide a solution, while I was in fact only continuing the policies of my predecessors who put Canada in

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the mess it is in today. I should have been ashamed to say like other members that it was not the government's fault, that we had to understand the situation and that nothing could be done. Mr. Speaker, I feel that these people on the opposite side should be put to the test and asked if they are willing to eat crow and try to find an answer to the questions and needs of Canadians today? It is incredible, Mr. Speaker. So many people are anxious about the future, so many people are suffering, thousands of unemployed workers can no longer support themselves, thousands of workers are expecting to be laid off within the next few weeks or months, while this government has failed to come up with anything more positive and more effective than these medium- and long-term programs and projections that should be questioned from the outset, considering the fact that for fifteen years, the projections presented by the ministers of Finance have never been realized.

Yesterday, on television, the Prime Minister of Canada tried to reassure Canadians. It is too late for your programs to do any good. This government has shown a serious lack of foresight and does not deserve the trust of the Canadian people. Obviously, I do not expect him to resign. They don't even have the guts to resign when they have betrayed the trust of the Canadian people. However, and it cannot be said too often, Canadians will pass judgement on this government. They will indeed, but meanwhile, we as members of the opposition have a duty to challenge this government, to get these members and ministers to bring in satisfactory measures. The Minister of Employment and Immigration had better not come back with his excuse that they do not have any proposals or short-term emergency plans. We need an emergency plan today so that tomorrow our factories stop shutting down at the same rate they have been for the last few years, especially in 1982. I am sure the minister knows perfectly well what I mean. Will he be able to convince the Minister of Finance and his cabinet colleagues that what this country needs today is action? This government has demonstrated that it lacks every kind of initiative, and I feel very sorry for the Canadian people.

**Mr. Dennis Dawson (Louis-Hébert):** Mr. Speaker, I am very pleased at this opportunity to speak today after the hon. member for Joliette (Mr. La Salle). Incidentally, a little over two years ago I also happened to speak after the hon. member in a debate in the House initiated by the opposition—we were the opposition at the time—concerning the job creation programs of the Progressive Conservative government of which my hon. colleague was a member when he was sitting on this side of the House. That same government abolished direct job creation programs, as the Minister of Employment and Immigration (Mr. Axworthy) pointed out earlier. It had succeeded in doing away with tax credit programs for job creation and in nine months managed to create an economic situation that led Quebecers and Canadians to put them back where they belonged, in the opposition.

When listening to the hon. member for Joliette, we often hear the same rhetoric and the same turn of phrase often used by Parti Québécois ministers and also heard this week at the

federal-provincial conference, where the Premier of Quebec spoke more or less in the same terms. They probably share the services of the same speech writers on economic subjects, and they also share the notion that an emergency plan is supposed to solve all our problems. What they are saying, in substance, is that we have to spend money to try and find some kind of solution. The Canadian government is expected to give the Government of Quebec hundreds of millions of dollars so it can make propaganda and conduct advertising campaigns, and subsidize the salaries it pays its employees. I am sorry to have to tell the hon. member for Joliette that the Canadian government has no intention of doing so.

I should like to set the record straight as far as job creation programs are concerned and tell the House what the Canadian government has done recently in this area. Mr. Speaker, without going into a lengthy introduction, I should like to give some facts and figures to demonstrate the role played by the federal government in job creation, especially in Quebec. In two years, in 1981-82, the federal government's direct job creation policy created 150,600 jobs in Canada, of which 44,850 were created in the Province of Quebec. Mr. Speaker, these actions speak louder than words. Not like the Parti Québécois, which last week cancelled the OSE program. They said that everything was all right, that there were no problems involved in abolishing the OSE program. It only meant that directors of information would go back to their departments. In other words, the OSE was a propaganda and information program which, for all practical purposes, was not doing anything. That is not the kind of action we are taking. We are creating programs that produce results and I shall give a few more examples.

The hon. member for Joliette knows full well that even in his riding, hundreds of thousands of dollars are poured each year in direct employment programs; those programs are meant, with his cooperation, to create jobs and help the people of his riding. The same goes for the whole province of Quebec, Mr. Speaker. Now, speaking of the employment tax credit program launched a few years ago, had it not been cancelled by the Progressive Conservative government, 43,400 jobs would have been created during the current fiscal year, of which again 15,770 in the province of Quebec alone, that is, the fair share Quebec is entitled to in terms of a federal presence and activity.

I feel that we of the Quebec caucus on this side of the House have no reason to be ashamed of the presence and activities of the federal government in Quebec. On the other hand, of the 6,000 Canadians who will benefit from the federal job program intended for the underprivileged, 2,500 will be created in the province of Quebec, Mr. Speaker. There is also the Local Employment Assistance Program (LEAP) through which 954 Quebecers will find fulfilling employment. I could go on and on, Mr. Speaker. It may be exasperating somewhat for opposition members to be given this information and the statistics may be boring, but still, it is important for members of the government to quote the true figures and inform the people.

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● (1710)

Mr. Speaker, several job creation programs for students set up by the Department of Employment and Immigration and the Department of National Defence will provide this year 10,412 jobs to young Quebecers. It is, once again, a very practical step Mr. Speaker. Next summer, the number of young Canadians taking advantage of this opportunity will be over 43,000 for the entire country and 10,000 jobs will be earmarked for Quebec. I could also mention several other programs but I will only refer to the employment program in the field of new technology which will create this year 800 jobs in Canada, almost 300 of which will be in Quebec. This is action Mr. Speaker. I will mention as well the crucial role played on behalf of Canadians, especially our young people, by job training programs for which this year alone the federal government will spend over \$880 million. In Quebec, those programs sponsored by Ottawa will be available this year to a total of 66,000 workers of whom 45,154 will be attending classes in institutions and 19,791 will learn on the job, to mention only the main sectors.

I could also refer to the training program and I see that my colleague the hon. member for Manicouagan (Mr. Maltais) is citing Iron Ore as an example. One can mention, the Iron Ore Co as well as Sorel and now Montmagny-l'Islet. I think that those were practical steps taken by the government through the Department of Employment and Immigration, the Department of Trade and Commerce as well as all other intermediates. These are very interesting figures, Mr. Speaker. Incidentally, those figures clearly show that the Department of Employment and Immigration was justified in advocating that its new program which aims at providing Canadian workers with a better training for the eighties, include such courses which will qualify them in areas where employment opportunities are more easily available and salaries more attractive.

I mentioned a while ago the 44,850 jobs available in Quebec through the federal government but of course it happens sometimes that those jobs are filled in turn by several employees. This year 52,400 Quebecers will benefit. Now if we add to that figure the 66,000 others who have registered for training courses, we get a total of 118,400 Quebecers who benefit directly from the various programs designed for either job training or subsidized training which will enable workers to seek better jobs. Mr. Speaker, I would suggest that those figures lay to rest the pessimistic comments we heard earlier from hon. members opposite. And that is not all. The federal programs were especially geared to help women, native people, the handicapped and, generally speaking, all people who require special assistance to find a job and hang on to it. With respect to training, 620 women in Quebec this year took advantage of courses in trades which by tradition have been so far the preserve of men. Some 513 Quebec native people took special training courses, including a good many in the north shore and Abitibi regions.

All told, 333,638 Canadians took those training courses, including, I repeat, 60,000-odd residents of the province of Quebec. Incidentally, I would like to point out again that the

federal government is making a generous contribution to training programs through the unemployment insurance fund. For instance, the Minister of Employment and Immigration (Mr. Axworthy) has just revived the shared work program. As the hon. member for Joliette noted earlier, the minister has probably maintained some features of the programs launched by his predecessors, but certainly none of those promoted by the former employment and immigration minister when the hon. member for Joliette was responsible for supply and services. The present minister never misses an opportunity within cabinet or before the House to emphasize the active participation of the government of Canada in the training and job creation programs. I am confident that within the coming weeks and months, the minister will announce new measures which will prove to be as worthwhile as those which have been implemented over the past two years.

I have had the honour of being parliamentary secretary to the minister during two years. I can say that his dedication when it comes to job creation and job training is definitely not reflected in the speeches we hear from members opposite. The minister is deeply committed because he knows that the labour market is going through hard times right now, and that is why the government is doing something about it instead of laying low and making empty speeches. During the current fiscal year, \$200 million in unemployment insurance benefits are earmarked for training programs, including \$41,800 for the province of Quebec. With respect to the allocation of funds, I would point out also that the federal government will spend \$1,074,400 for various labour-related programs in 1981-82, and Quebec's share will be close to \$300 million, including \$185.2 million for job training programs in that province.

It can therefore be seen, without denying the existence of economic problems which are not for that matter peculiar to Canada, since unemployment, for instance, is much more severe in other countries, since there are important and effective programs designed to improve the lot of our workers which benefit Quebec enormously. Also, Mr. Speaker, I must remind the House that we live in an ever changing world and that technological advance causes disruptions which require that our training programs be completely updated. That is the type of activities in which were involved last year task forces from the Employment and Immigration Commission as well as the parliamentary group which included members of the opposition, the Allmand group, whose findings prompted the Minister of Employment and Immigration (Mr. Axworthy) to prepare the new training program he recently introduced to the provinces at the Vancouver conference.

All I want to add is that I wish the province of Quebec, which has always received its fair share, as I have just shown, will continue to benefit from its participation in the Canadian endeavour, because in the next decade Canada will have more challenges and more new problems to face as well as more encouraging prospects than any other country in the world. This comes directly under the jurisdiction of the Minister of Employment and Immigration. I should like to go on for a while giving examples of concrete projects implemented over

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the past 18 months by the Canadian government and which were mentioned by the Prime Minister (Mr. Trudeau) during a fund-raising dinner last December. For instance, there is the shipbuilding industry whose activities are centered in the Sorel-Tracy area, the pulp and paper and primary industries in the Schefferville, Port-Cartier and Sept-Iles region, and now there is the program in the Montmagny-L'Islet area for those unable to adapt to the ever changing world situation and whom the federal government has decided to help financially.

We have seen that the Canadian government has come up with an industrial and labour adjustment program to which it has allocated \$350 million over a five-year period. By 1985, we will have spent \$476 million on the completion of the Canadian space program. The mega-projects affected include the manufacturing of the handling arm for the U.S. space shuttles, of satellites, antennae and ground-station equipment. Most of that equipment will be manufactured in Sainte-Anne-de-Bellevue, Quebec, by the Sport Company, and out of the \$132 million committed, Quebec will get some \$50 million. Also, 500 of the 1,000 jobs in that high-technology sector will be created in Quebec. The government will also commit more than \$32 million by 1982 for the development and the use of the Telidon Videotex system.

In the Montreal and Quebec City areas, cable subscribers can now view the pages of *La Presse's* telecomputerized newspaper. There are a number of other programs, Mr. Speaker. For instance, a special \$170 million fund to promote the development and use of micro-electronic equipment was instrumental in the opening of an important Mitel plant in Bromont. Six micro-electronics centres will be set up in Canada, including one at the University of Sherbrooke, again in the Eastern Townships area, again in the province of Quebec. Moreover, the Canadian government will also grant \$50 million in financial help to the Pratt & Whitney Corporation in Longueuil for the development of Dash-8 engines, and the spin-offs of the F-18 fighter contract are already estimated at more than \$835 million for Quebec.

Also worth mentioning is the salvaging of the Canadair Corporation, which was bought by the Canadian government, and whose Challenger aircraft is meeting with unprecedented success. And, Mr. Speaker, who invested \$90 million in Bombardier for the manufacture of 50 railway cars and 21 LRC engines for the VIA Rail Corporation? Was it the Quebec government which buys its buses in the United States? No, Mr. Speaker, it was the Canadian government. And who gave them financial and political support to land a \$150 million contract for 230 rail cars for the Mexico City subway? Once again it was the Canadian government, Mr. Speaker. And who invested \$150 million in the Bombardier plant in Valcourt, to help in the manufacturing of 2,762 army trucks Mr. Speaker? Was it the Quebec government? Was it the government whose rhetoric the hon. member is using to suggest we are doing nothing for the province of Quebec? No, Mr. Speaker, it was the Canadian government. Finally, Mr. Speaker, who helped Bombardier secure from Volkswagen the technology transfer for the design and manufacturing of its litis jeep? Who else

but the ministers, members of Parliament and officials of the Canadian government, which the hon. member calls the selent group in the Quebec caucus. That group, Mr. Speaker, may appear to be silent to the hon. member for Joliette, but it is a group who knows how to deliver the goods, Mr. Speaker.

We also allocated \$135 million to modernize the Quebec pulp and paper industry, that is in greater Quebec City. We did the same for the shipbuilding industry, which will receive an additional \$225 million over the next three years to update its production equipment. We have therefore done our job in this area as well. The interests of Quebec have been defended by members of Parliament in caucus, in cabinet, by the people from Quebec, and not only by the rhetoric of the present provincial government.

Under the National Energy Program, the Trans-Quebec and Maritimes Gas Pipeline Company is now completing work on a pipeline which will soon supply gas to Eastern Canada. This project alone will create \$1.5 billion in investments over the next five years. This is further a positive action, in my opinion. The Canadian company Dome Petroleum has also purchased Davie Shipbuilding of Lauzon to manufacture the equipment it will need for its prospection and development activities in the North. As everyone knows, this is another priority of the National Energy Program.

This week, we announced the new ports policy for Canada which will give local authorities more input in decision-making and help the ports of Quebec City, Montreal, Sept-Iles and others to take concrete action and to co-operate with local industries in developing Quebec ports. In the last five years, we have spent over \$12 million to develop the port at Gros-Cacouna, and I see here the hon. member for Kamouraska-Rivière-du-Loup (Mr. Gendron) who was very active in this regard. He delivered the goods and did something positive for the people of Rivière-du-Loup and all Quebecers, instead of being satisfied with rhetoric like the hon. member for Joliette (Mr. La Salle). When the Progressive party was in power, the hon. member for Joliette did not say that this project had been under discussion for 15 years, but rather that it was a concrete measure taken by the Progressive Conservative government. I am sorry, Mr. Speaker, but I believe that the people in Quebec and the residents of Rivière-du-Loup did not believe what the hon. member for Joliette was saying, and that is why his party was defeated on February 18, 1980, an anniversary we shall probably celebrate in two weeks.

The Progressive Conservative party had not even invited the hon. member for Kamouraska-Rivière-du-Loup who had been the moving spirit and promoter of this project, Mr. Speaker. In the Quebec region, we also provided a \$5.5 million subsidy to the Quebec Inter-Port Company to strengthen the industrial base in the Quebec area by improving port facilities. What about the old port project in greater Quebec City? What about the infrastructures developed by the Canadian government in our area? Indeed, we know that \$80 million have been allocated to modernize the commuter train system in the Montreal area. I can see how the Progressive Conservative members can find these comments irritating. Of course, they would not like

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us to broadcast that this money is being spent, that jobs are being created, and that we do not just discuss projects, but carry them out. Additional funds amounting to \$42.8 million will be allocated to promote tourism in Quebec, despite the fact that the Quebec Minister of Tourism has refused to attend the federal-provincial conferences on tourism. This same Minister of Tourism then comes to Ottawa and tells the federal government that it is not doing enough for Quebec's economic development. Mr. Speaker, the hon. member for Joliette may want to associate himself with these people, but the Quebecers, the Quebec members of the Liberal caucus in Ottawa are certainly not interested in being associated with them.

There is still more, Mr. Speaker. We shall be spending \$15 million a year toward the capital costs of trade and convention centres in seven major cities in Canada, including, of course, the one in Montreal, even though, once again, the provincial minister does not want to attend federal-provincial conferences where these matters are discussed. They say that they will only attend conferences dealing with the economy. Yet, Mr. Speaker, for the people of the Gaspé Peninsula, for the people of the Quebec City metropolitan area, for the people of Lac Saint-Jean, for the people of the entire province of Quebec, tourism is a major industry and the Quebec government is responsible for promoting it in co-operation with the federal government, and not by way of confrontation.

This is a very incomplete picture, but all this action has been taken because of the pressures and the vigilant co-operation of the Quebec Liberal caucus in Ottawa, a group of members of Parliament who have decided no longer to give way to the requirements of the rhetoric of the Quebec government, but to take action in their own areas of jurisdiction. I do not think that we have any lesson to learn from the hon. member for Joliette. Where was he when this action was being taken? He was with Biron, Parizeau and Lévesque. He was dealing in rhetoric and propaganda while we were creating jobs, Mr. Speaker.

Unfortunately, Mr. Speaker, we are allotted a mere 20 minutes. It is regrettable that I had to speak right after the hon. member for Joliette (Mr. La Salle), because perhaps it might have been interesting to see his kind of reaction to the explanations that he was given concerning job creation and investments by the federal government in the province of Quebec.

• (1720)

*[English]*

Mr. F. Oberle (Prince George—Peace River): Mr. Speaker, I could not begin to compete with the kind of rhetoric we have just heard, so I will stick to my own text.

I am grateful for the opportunity to speak in this debate because I wish to share with hon. members my concern about the most important industry in our country—in terms of employment, at least—the forest industry. In doing so I wish to remind the government of the consequences of a deliberate policy of neglect, consequences which are particularly serious at this time.

I will also try to make some positive suggestions, as is my style. I am glad the Minister of Employment and Immigration (Mr. Axworthy) is here. I know the minister responsible for forestry was here a minute ago. I hope those ministers will have their ears pricked so they can learn what is new.

First let me put up a backdrop for the ugly scene of neglect for which this government is at least partially responsible. Officially there are some 1,030,000 people unemployed in Canada today. Unofficially some say that number is closer to 1.5 million. Incredibly, half of those people are under the age of 24. The youth component of our unemployment rate is the biggest. Young people in our country today are starting their lives with feelings of uncertainty and even fear. Their hopes are dashed. Their aspirations are disappointed. Instead of confidence and enthusiasm they have doubt and mistrust in the system from which they have just graduated and of which they are the product.

It is said that our economy is in a serious state of crisis, but the worst crisis is the crisis of unemployment and the crisis of confidence which unemployment has created. It is a crisis of loss of esteem and loss of confidence. We have lost the confidence of our young people. There is a lack of confidence in our ability to function as a nation. People lack confidence in their government. They have been deceived and betrayed. People tell me they feel they have been lied to and, as several of my colleagues have already said, I have the feeling people have had that done to them once too often. As I said earlier, we have even lost confidence in ourselves. That is a very serious matter because we cannot begin to rebuild a nation if people do not have confidence in themselves and in their own ability to produce and share in the task of producing.

As hon. members know, I recently published the results of a study I carried out in my office dealing with the problem of youth unemployment. I discovered that despite all the efforts the government claims to have made over the last 15 years, the situation of young people in the labour force and statistics relating to unemployed young people have worsened. For instance, in 1966 young people between the ages of 15 and 24 made up 24.2 per cent of the total labour force, but they made up 40.6 per cent of the unemployed. In 1980, 26.8 per cent of the labour force were people between the ages of 15 and 24—a small increase—but that group made up 47.1 per cent of the unemployed. No wonder people are frustrated with our educational system and are demanding change. Even if we were to come to terms with the backlog of training required to get our young people into the work force and, to help them make the transition from school to work, our economy could not, at least in present circumstances, absorb our young people.

• (1730)

As hon. members know, I represent an area in Canada which has a disproportionate number of young people in it. It is a young man's country. It is pioneering country. It is also a producing area of our country. Most Canadians look at north-eastern British Columbia as an area that holds out greater promise than the rest of Canada, particularly in view of the



planned megaprojects, and the richness of resources that we have, particularly hydrocarbons and lumber. In fact, many Canadians from right across Canada, in particular Newfoundlanders and Quebecers, have moved to my area to find work, to start raising families and building their lives. Most of them are young Canadians. They have brought with them many school-aged children and many who have just left school who have had to join the unemployment rolls recently.

Some of these people are now worse off than they were before. In northeastern British Columbia and in areas that are heavily industrialized, we have above average unemployment rates. In Prince George, there is 11.5 per cent unemployment rate, which is almost 3 per cent above the national average. Living costs are, of course, much higher than in most other parts of the country. That is why I say that people who have come from Newfoundland or Quebec are worse off now living in British Columbia than they were in Newfoundland or Quebec because the cost of living is higher but the unemployment insurance cheque is the same right across the country.

The reason for the slump in the economy in that area is partially the National Energy Program. It has literally closed down the energy sector. For instance, in the northern part of my constituency, in the Peace River country and up to the Yukon border, there were last year 120 oil rigs and exploration drilling activities going on. Right now there are 18 such rigs in operation. The service industry is, of course, affected and has also shut down.

Some cities are practically bankrupt. Large and small businesses and hotels which are only two and three years old are in receivership in some parts. The minister does not believe these statistics. He says that he is doing the best he can for Canada to help us regain energy self-sufficiency. If that is the way to do it, I would like to know what other ways there are to gain energy self-sufficiency.

What is being done is having a devastating effect on the economy in my area. In the main, the economy of central B. C. is based on the harvest of our forests. The lumber and forest industry is finding itself in dire straits. The lumber and forest industry used to be known as the goose that laid the golden egg. One out of every ten Canadians found work in the forest industry and earned a living from the harvest of trees. Our wood converting industries generate more export dollars than agriculture, fisheries, mining and hydrocarbons—oil and gas combined. Mainly because of the rich endowment of our natural virgin forests and the excellent qualities of our products, the industry has always been self-sufficient. Very seldom has it come to government for any kind of help. In fact, the government has always been a parasite on the industry. This industry is probably the oldest one in our country. Even though warning signals were sounded years ago, this government felt it had no responsibility to reinvest in the resource, to reinvest in the industry to help it maintain its vibrancy and its efficiency, even though on an annual basis the federal government collects \$8 billion in taxes and royalties from the wood converting industry. Business leaders and professionals alerted us to the fact that our resource base was depleting at a much

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faster rate than it was being renewed. But this government started to tear down what was once a proud agency of this government, the national forestry service.

About 15 years ago, we had twice as many people working as professionals and servants in the Canadian Forest Service. The government was told but it ignored the warnings that our markets were limited, that we should diversify and go into other areas, to Europe, to the Pacific Rim countries to sell our products. The industry needed to retain more of its profits to do research into new products and develop products that would be required in the more diversified markets. The industry needed to retain more profits to modernize plants and to improve productivity as well as to replenish the resource base, although resources have always been looked at as provincial responsibilities because provincial governments are the owners of the resources. Warning signals were sounded. Governments were told that there had to be more intensive forest management. There needed to be a greater protection of the resource base which was being ravaged by fire, by insects and by other natural elements.

Ken Grave, president of the Ontario Forest Industry Association, said that spending on forest management in Ontario must increase at least fivefold to ensure that the country's existing forest resource can play its proper role in Canada's economic future.

What have we done instead? Instead we have allowed the federal manpower strength to be decreased by 50 per cent over the last ten years. This strength comprised the scientists who could have helped us with the task. All of these things have been neglected and that is why we are in such difficulty. We did not help the industry develop new products. The efforts that were made were usually too little and too late. Now we are reaping the harvest of this deliberate policy of neglect. The industry is particularly hard hit, and it is hard hit because of a very serious international economic situation. There are very uncongenial market conditions, particularly in the United States. Because we did not develop any new markets, most of our products are still sold in the United States. As we all know, not many houses are being built in the United States right now, and because we failed to move into other markets, Canada is now almost wholly dependent on economic conditions in the United States to restore the health of this industry.

Our plants in eastern Canada are antiquated. Some efforts to help modernize the industry have occurred, but again too little too late. The cost of raw materials, such as logs, has dramatically increased because we have neglected the prime growth areas close to our sawmills. We have left it to nature alone to regenerate these areas. As we all know, nature takes time and time is running out.

The effects of this neglect are now painfully apparent and reflect themselves in massive unemployment, temporary layoffs and other distorted labour conditions.

● (1740)

Various industrial associations throughout the country have reported that of the 300,000 Canadians who are directly

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employed in wood converting industries, between 105,000 and 115,000, or almost one-third, have either been laid off or are involved in programs under which the unions have agreed to share the work among members rather than cash in on some of the unemployment insurance programs. The minister likes to take credit for the work sharing program, but it is really a sharing of poverty and misery. I give credit to the companies and unions which were able to negotiate deals whereby workers share the available work. Some work two days per week, others work three days per week, and in so doing they stay off the unemployment insurance roll.

I should like to break down the statistics I have just mentioned with respect to total unemployment in the forest sector. As I said, there are 300,000 people directly involved in the forest industry. Roughly 40 per cent of its total industrial capacity is located in the maritimes, Ontario and Quebec. The industry is operating at 57 per cent below normal. I would calculate from that percentage that roughly 68,000 people are laid off in the maritime provinces and in the Quebec and Ontario regions. The prairies, including the province of Alberta, share roughly 10 per cent of the industrial capacity of the forest sector. They are working at roughly 32 per cent capacity, which means that approximately 9,000 people are out of work. In British Columbia the problem is much more dramatic because the province produces 50 per cent of our wood products. There are about 150,000 people directly employed in the British Columbia forest industry. Close to the end of January that industry was operating at 75 per cent capacity. This means that approximately 37,500 people are laid off or are involved in some work sharing program.

Of course, these figures do not include the industrial sectors which service the forest industry. It is said that up to 700,000 Canadians indirectly rely on wood converting industries for their livelihood. If one projects these figures throughout the industry, one arrives at the staggering number of 380,000 people who are presently in some way affected, either laid off or operating in reduced circumstances. This is very dramatic, particularly since the industry reported to me that, at least in the short term, there will likely be a worsening of the situation. As we all know, interest rates in the United States are turning around and rising. Canadian interest rates are sure to follow because the government is totally devoid of any new ideas. We will see our interest rates following those of the United States. This is bad news for the lumber and construction industries. Even the most optimistic estimates for 1982 indicate that we should not expect a turnaround until late in the second or third quarter of the year. Of course this means that lay-offs will continue to accelerate and the statistics will be even more devastating by spring. The potential is real and in the short term it is disastrous.

Unfortunately there is very little the government can do now in terms of direct intervention. The industry is not one which lends itself to becoming involved in a partnership with the government such as other industries do. A patchwork solution would be to supplement the wages of workers who have enrolled in work sharing programs with some unemployment

insurance benefits. It would be a band-aid solution, a patchwork program, but nevertheless it might save the unemployment insurance fund some money. At least it would allow people to keep their jobs, do some work and remain in their communities so that when the turnaround comes—and of course there is a pent-up demand—they would be ready to return to work. Of course we know that there are hundreds of small one-industry communities throughout the country in the forest industry. It would allow people to remain in those communities, to be ready to return to work and to take part in the future of their industry which indeed is bright.

In talking with the forecasters I was told that the world demand for wood products would increase dramatically, in fact by 50 per cent to 60 per cent, over the next 20 years. In the next 60 years it is expected that the demand for wood products throughout the world will triple. Canada should capture a lion's share of the new markets and fill these demands. The world supply of wood fibres is in a very precarious situation. We read in the newspapers every day that while we have neglected our forest base, other countries are doing even a worse job, particularly in the south, and that Canada will be looked upon as a major supplier of future requirements in wood fibres. The government's forest strategy committee predicts a doubling of our output of forest products by the year 2000. To achieve this we will have to cut 50 per cent more trees by that time.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

● (1750)

### [Translation]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, the subject of our debate today is extremely important to Canadians of all groups and ages across Canada. The government realized this some time ago, and after it was returned to power, it proposed a number of measures to create jobs, using various formulas such as community development projects, to name only one. There have been other measures aimed at providing better training and especially practical training for all Canadian workers. In fact, it is this particular aspect of the employment situation which I would like to discuss in the House. First of all, I may remind my hon. colleagues that a few weeks ago, at the federal-provincial conference in Vancouver, the Minister of Employment and Immigration (Mr. Axworthy) introduced a national training program designed to meet the requirements of this decade, which was very well received by the Canadian people. Incidentally, it is high time that Canadians became aware that the federal government spends about \$860 million annually on manpower training.

It is also clear, as the Minister of Employment and Immigration very appropriately stressed, that we shall have to change our teaching methods without delay and start to offer courses that are better adapted to filling our manpower requirements, especially in areas requiring very specialized

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skills. Editorial writers, among them Keith Spicer in Vancouver, expressed their surprise that at the conference, provincial spokesmen had shown considerable concern, of course, for control over their jurisdictions but none at all for jobs or adequate training. Many people in my own riding have told me: Stop this federal-provincial nit-picking. We want the money to which we in the Province of Quebec are entitled to come to us, and we want our provincial governments to meet you in Ottawa about these job creation programs. An other analyst, Mr. Orland French of the *Ottawa Citizen*, was saying more or less the same thing on January 11, when he wondered whether the Ontario Minister of Education, Mrs. Bette Stephenson, was opposed to the federal program because it suggested that investments were inadequate or inappropriate, courses did not meet the needs of industry, and so forth. In each instance, Mr. French noted that this was not so and that Mrs. Stephenson was concerned only about her own jurisdiction in educational matters.

It is obvious that the provinces will have to acknowledge, for the sake of workers throughout Canada, that too much money has already been spent for programs aimed at training people for disciplines already overcrowded or seriously declining and that, in the future, we shall have to provide training which will be better suited to the needs of our economy, especially as we shall no longer be able to rely as much on immigration as we did in the past, a fact the Minister of Employment and Immigration (Mr. Axworthy) has often indicated, while the number of new Canadian entrants on the labour market will decline. This problem has been especially well described in an editorial in *Le Droit* by Mr. Pierre Bergeron who first noted that Ottawa and the provinces should both feel responsible for the present situation, but then added that they must all be part of the answer which will depend, and I quote:

—essentially on the ability of Ottawa to provide leadership and co-ordination.

This same courage is reflected in the proposal made by the Minister of Employment and Immigration in Vancouver, together with an acknowledgement of the need in such a vast country as ours, with its regional disparities, to provide this essential role of co-ordination mentioned by Mr. Bergeron, who also added:

—this will not occur painlessly. The provinces will have to forget their pride and realize that the program will fail if they insist on doing things independently.

The editorialist concluded with these words:

—the seriousness and the urgency of the problem must prevail over parochial disputes.

Mr. Speaker, we constantly hear the same thing in our constituencies, where people tell us of the need to stop arguing and to provide the money and the mechanisms needed to create employment, and of the need for the various levels of government to come to an agreement and to intercommunicate.

Mr. Speaker, the issue of job training is of major importance when we are discussing unemployment and job creation,

as we are now doing in this House. Even today with massive unemployment in Canada, there are still thousands of jobs for which no qualified applicant has been found. And, on the basis of the research done by Employment and Immigration Board task forces as well as the Allmand parliamentary committee this problem will get worse unless our training programs are redirected as advocated by the Minister of Employment and Immigration at the recent Vancouver conference. He mentioned that the substantial economic growth anticipated during the next decade, will give rise to tremendous challenges and wonderful opportunities. However, he added that we will only be successful if we replace the Adult Occupational Training Act now 15 years old, by a new legislation which would meet the needs of the eighties as far as abilities are concerned and which at the same time would increase job opportunities for many Canadians. And with your permission Mr. Speaker I should like now to mention some of the main proposals contained in the Axworthy formula introduced in Vancouver which is undoubtedly consistent under any jurisdiction, either federal or provincial.

Firstly, designated national occupations would be granted special financing and accelerated training. On that point, the Minister gave the following explanation and I quote:

—we need a national training program because we are dealing with a real national labour market. Priority will be given to filling gaps in skilled jobs of national importance namely those where existing and future gaps at the national level, cannot be filled without that kind of measures.

Secondly, Mr. Speaker, an adjustment and skill training Fund which will help finance capital assets and operating costs of training institutions. In co-operation with the provinces, if they so wish, the federal government will use this Fund to finance investment expenditures and initial operating costs with a view to setting up, expanding or modernizing institutions and provide equipment for technical training.

Those institutions can be managed by the provinces, by industrial firms or non-profit organisations. Mr. Speaker, I repeat, by the provinces. Then, if the latter want to cooperate, they will have no excuse to claim they have no input, as sometimes does a certain Quebec government that is always asking for money to spend as it pleases without saying, of course, where it came from. Because no doubt this is top secret, people should not be told the money comes from the federal government. It may not be a sin, but is something one must not mention in the province of Quebec. Therefore, concerning the manpower adjustment and improvement fund, we say that the institutions involved could be managed by the provinces, by industrial firms or non-profit organisations.

Thirdly, I would like to comment on the reallocation of resources to critical trade skills training and the retraining of workers affected by technological change. Because the requirements of economic growth and the changes that will come about in the 80's require a significant increase in the proportion of resources allocated to critical trade skills training.

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Consequently, it is essential to expand considerably critical trade skills training and to update the general industrial training program so that our efforts are mainly focused on critical trade skills, the retraining of workers affected by new technologies and the training of unemployed men and women.

Mr. Speaker, concerning unemployed men and women, quite recently in my constituency a plant unfortunately had to lay-off a great number of workers. Thanks to the training program, it was possible to redirect those workers to other fields and train them as an extension of the unemployed insurance program. In this way they can take courses in tool-making, welding and other similar courses. I believe that in such circumstances a solution is vocational training so that people in temporary difficulty may acquire skills. The Allmand report suggested there would be a dearth of people to fill those specialized jobs. Of necessity, those people must meet the requirements of employers.

Fourthly, Mr. Speaker, I should like to mention a new remedial classes program designed to teach skills for which job opportunities exist on the labour market. Common sense has no jurisdiction, whether provincial or federal, Mr. Speaker, and everyone knows that greater efforts will be required to integrate successfully in the economy the so-called drop-outs who, if given a special opportunity to which they are entitled by reason of their special problems, can finally play a useful and honourable role in a society that has a duty to help those in need of such special help in order to become self-reliant in their own and in the State's interest.

By the way, such a program has been in existence for years and is very successful, thanks in particular to the cooperation of businesses—

**The Acting Speaker (Mr. Ethier):** Order, please. It being 6 o'clock, I do now leave the Chair until 8 o'clock.

At 6 o'clock the House took recess.

**AFTER RECESS**

The House resumed at 8 p.m.

**The Acting Speaker (Mr. Blaker):** Order, please. When the House rose at 6 o'clock, the hon. member for Lotbinière (Mr. Dubois) had the floor.

Mr. Dubois: When the House rose at 6 o'clock, Mr. Speaker, I was saying that professional training does indeed create new jobs. I had reached my fourth item and I was showing how this result is achieved. This program has been going on for years and is meeting with tremendous success, thanks in part to the support of such corporations as the Bank of Montreal, Consolidated-Bathurst, Bell Canada and Canadair. For it goes without saying, Mr. Speaker, that programs such as this could

not be successful through the efforts of the governments alone, for our economic system is based mainly on private enterprise.

Private enterprise must therefore help assess and identify its needs for skilled workers before the labour force can be trained. It should also monitor the relevancy and quality of the information we have on the labour market situation. Fifthly, Mr. Speaker, I should like to deal with equal opportunities for women and other people with special needs, such as the Indians whose involvement in the labour force will increase considerably over the next decade, especially in western Canada. We must see to it that the handicapped and other disadvantaged people acquire or develop the new skills they need to have access to the good jobs of the future. Concerning the assistance which handicapped people need, the Government of Canada, through its Department of Employment and Immigration, has implemented a program to encourage corporations to hire them.

Now that 1981, a special year for the handicapped persons, is over, I think we can honestly say that this program has been tremendously successful in Canada and has helped these people join the labour force. Sixthly, there are new programs which will make it possible for voluntary and non-profit organizations to take part in the training of our labour force. Seventhly, a manpower mobility program will help our workers, especially those living in the province of Quebec, to participate in the great projects under way in other regions and from which all provinces should benefit. It is not by raising walls around our towns, regions and provinces that we will help our workers, especially if we deprive them of the opportunity, I should say the right, to get a job on which they could easily support their families.

Something which appears to have upset the provinces recently is the desire of the federal government, which contributes financially to a very large extent to the training of workers, to have its involvement known to the public. I feel this is just as reasonable as wanting the public to believe that because this is connected with education, all the money is coming from the provinces. I feel it is really important for the Quebec people to know that this program is financed largely by the Canadian government which has been allocating funds to it for many years. To my mind, a national training program must be flexible and readily adaptable to the needs of changing situations. That is why a bill has already been introduced by the Minister of Employment and Immigration (Mr. Axworthy) providing for the extension of the training period beyond the present 52 weeks, greater access to training, simpler and improved administration of the training program as well as greater involvement of the private sector and other groups concerned with on the job training.

As I mentioned earlier, the private sector must become increasingly involved in the program, in order to assess and define the needs of specialized workers with a view to providing such training as will meet their needs. It is also to be hoped

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that the provinces, without overlooking their jurisdictions or financial needs, will show a greater interest in the real needs of the workers with regard to training, specially in terms of future requirements, while remembering however that when they lend a helping hand professionally, they cannot take all the credit for complete and absolute success. This, indeed, is what Mrs. Lise Bissonnette, in the newspaper *Le Devoir* for January 16, after the Vancouver conference, reminded the Quebec Minister of Education, Mr. Camille Laurin, and Mr. Robert Dean Parliamentary Secretary to the Minister of Labour, Mr. Marois, saying that in Quebec alone, the trade schools system is a minor scandal: it offers training in 90 superspecialized fields to the young of 14 to 17 years of age.

Mr. Speaker, everyone agrees that the Adult Occupational Training Act, now 15 years old, no longer meets present needs adequately, and even less those of the future when the highest degree of specialized training will be imperative. All levels of government and the private sector must work together to get professional training that is adapted to the new and changing needs of our economy and industry. This sensible and practical approach will also be required of unions and their members. Training in areas with an existing or potential manpower surplus should be stopped or at least substantially reduced.

If we succeed in alleviating manpower shortages, especially in highly skilled jobs, we will then be able to stimulate the economy, improve our competitive position on international markets, reduce inflationary pressures and provide Canadians with training and retraining opportunities that will help them get interesting and well-paid jobs generated by our country's economic recovery. I should like to point out that the regions will also benefit by this policy. I am saying this because some unwitting proponents of "balkanization" would actually deny some of their fellow citizens higher education because they are afraid they would then move to one of the other provinces to work.

The long night of the Duplessis years is history, but in 1982 there are still people who are saying, substantially, that training is o.k., but not too much, if they are going to use that training somewhere else. Are we going to prevent Quebec workers from retraining for another job, just because they might get a better job in another town or province? And what if Quebec's own requirements may soon oblige us to seek elsewhere the workers we failed to train in this province?

Mr. Speaker, I feel that with respect to occupational training, the financial incentives given employers under the training in industry program should be modified in order to simplify the assistance framework, accelerate training in occupations where there is a shortage of skilled manpower and encourage training and retraining of women in occupations traditionally held by men and also training and retraining of special needs clients such as native peoples and the handicapped. I believe that such developments will be very important in the years to come.

● (2010)

[English]

**Hon. Flora MacDonald (Kingston and the Islands):** Mr. Speaker, the subject matter we are dealing with in today's debate is the federal government's deliberate failure to create job opportunities for the hundreds of thousands of Canadians now looking for work and, in addition to them, the thousands who will be entering the work force in the coming months and years. Nothing could be more pertinent to the responsibilities we hold as members of Parliament than that we should do something to alleviate the terrible suffering and the waste of human potential that unemployment is inflicting upon the Canadian society today.

Seldom in our history have we seen such devastating circumstances as those that confront us now. When we look at the figures, they tell a very difficult story. As of January 8, the last date for which the figures were available, the seasonally adjusted unemployment level in Canada was estimated at 1,026,000 persons, or over one million Canadians out of work.

That figure does not include hidden unemployed, the many people who have given up in despair and are no longer in the labour force. After months and years of looking for work, some of them have just had to give up. It does not include those who have abandoned hope, who have given in to despair that they will not be able to find jobs. If this figure of the hidden unemployed were to be included, it would make the figure much higher than the one million that we have in public knowledge today. It could, it has been estimated, raise that figure tragically to something like one and a half million Canadians unemployed.

Today when we turned on our radios and read our newspapers, we were advised of a report that had been done for the federal Department of Industry, Trade and Commerce which predicts that another 175,000 Canadians will be out of work by March, and that many more in the next two months. It will primarily affect the manufacturing sectors of the provinces of Ontario and Quebec.

If you turned on your radio or read your paper and saw that in this morning's news and you happen to be a person employed in the manufacturing sector of these two provinces, what would your reaction be? I am sure it would be the same for people all across this country as it is for those who work in the manufacturing sector of these two provinces.

They know their security is threatened, their future shadowed by uncertainty. The anxiety and gloom which accompanies that must be present in all of their thinking. Thousands are probably asking themselves whether they will be the next to be laid off. They wonder, if it happens to them, how they will go about meeting their mortgage payments and providing a decent living for their family, and where they will find another job. This is what thousands of Canadians are asking themselves tonight because they live in uncertainty and insecurity in the job market in Canada today.

Faced with this kind of uncertainty, who can blame them if in the weeks and months ahead their productivity drops or they

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pay less attention than they normally do to detail? Tomorrow the unemployment figures will come out again. It does not take much insight and it certainly does not give anyone any joy to know that those figures will show an increase in the unemployment rate.

Speculation has it that the official number of unemployed between now and the summer months will probably rise to one and a half million Canadians. That will be one and a half million unemployed in a population of 24 million with a labour force of some 12 million. In other words, that is one eighth of Canada's labour force that will be without jobs.

Just think of the consequences economically and socially that that has for Canada today. Even if we were to think of it in the narrowest dollar terms, the consequences are considerable. When I checked these figures, I was told that each Canadian worker contributes an average of \$20,000 a year to the gross national product. For one million workers who are now unemployed, it could mean an additional \$20 billion to our gross national product. If this contribution were to be made, think of how it would reduce our deficit. I ask myself why the government cannot see this. Why does it not choose to go the route of building up job opportunities, of getting the unemployed back into the labour force? Why does it not choose to go that route?

**Mr. Kelly:** Spend more, higher deficit.

**Miss MacDonald:** There is another of the backbenchers from the Liberal Party who is willing to put all of the punishment on Canada's labour force and make more and more of them unemployed. What kind of heartlessness is that?

**Mr. Kelly:** Would you raise taxes? Would you spend more?

**Mr. McDermid:** We would spend smarter.

**Miss MacDonald:** Why does the government not realize that the money it wastes or spends on so many useless projects could go into job creation which would give jobs to Canadians, giving them back something they do not have at the present time? It would give them back their confidence and self-respect.

• (2020)

**Mr. Kelly:** Give us an example.

**Miss MacDonald:** No, the Liberal Party does not want that. They want to see workers without jobs.

**Mr. Kelly:** Tell me how many millions would be saved. What would you spend it on?

**Miss MacDonald:** This government spends over \$100 million a year on advertising.

**Mr. McDermid:** Propaganda.

**Miss MacDonald:** That is exactly what it is. It is useless advertising by the government which is trying to embellish its reputation with the Canadian public. That \$100 million could

be spend in additional job creation programs to help many workers in Canada.

**Mr. McDermid:** That is just one example.

**Miss MacDonald:** Why can the government not follow a course which would make an effort to help the unemployed of Canada re-enter the job market so they can contribute to the gross national product?

**Mr. Kelly:** How will you spend the money?

**Miss MacDonald:** But no, the Liberal Party and the member who is raising his voice obviously do not feel their government has any responsibility to provide for the unemployed in this country. This is a severe indictment of those people opposite who are content to see the number of jobless rise.

What is more disturbing about the loss to the economy because of this unemployment is the added social costs to Canada. We are losing our potential for the development of our great human resource. If the economic costs of unemployment are high, I would suggest that the social costs are probably higher. These costs are impossible to calculate in dollar figures but they contribute directly to the demoralization of our society. When hope gives way to despair, and despair is what the government is creating—

**Mr. Kelly:** What do you do?

**Miss MacDonald:** When jobs disappear into oblivion, people find other avenues in which to express their frustration.

**Mr. Kelly:** Stop clucking and tell us what you would do.

**Miss MacDonald:** This frustration becomes evident through higher rates of crime, juvenile delinquency, family breakdown and suicide. These are the consequences of joblessness. How can anyone put a dollar figure on these very real results of unemployment? How do you calculate despair and loss of hope for one million unemployed in Canada? The most precious asset a person has is self-respect, and so often when someone loses a job, his or her self-respect and confidence is lost along with his feeling of contributing to the economy.

**Mr. Kelly:** That does not tell me a thing.

**Miss MacDonald:** Studies have shown that a prolonged loss of work can change a person's whole personality. The pressure of losing one's job produces not only depression and frustration but anger and violence. Many studies have been made which show how inter-connected these two are.

**Mr. Kelly:** Tell us what you are prepared to do.

**Miss MacDonald:** Studies in Toronto, Windsor and Oshawa, where massive lay-offs have occurred, show that the demands for social services have escalated beyond belief. A special committee which was set up to deal with the needs of the unemployed in Windsor showed that there has been a 400 per cent increase in case-loads. The public relations officer of

the United Autoworkers said that there is a definite increase in the incidence of alcoholism and family problems, among the unemployed autoworkers. This is what happens when unemployment occurs.

**Mr. Kelly:** What are your policies, Flora?

**Miss MacDonald:** A recent report in the *Ottawa Citizen* stated that one in every 20 Canadian adult drinkers is alcohol-addicted, and this number can be expected to go up as the economy goes down. The report quotes a counsellor who has worked with alcoholics for 20 years as saying there is a direct correlation between unemployment and alcoholism because of the pressures unemployment puts on family life.

A Toronto study indicates that a widespread incidence of wife-battering and child abuse are tragic consequences of prolonged unemployment. The director of a family services bureau in Toronto said that he found, in dealing with clients who have been unemployed for some time, that many have been on edge and that any stress or difficulties tend to push them over the edge. Frustrations are sometimes taken out on the children, who are defenceless.

As well, there has been a distressing increase in the number of suicides over the past few years. For example, the Ottawa distress centre received over 900 calls threatening suicide in 1981, while two or three years ago, many fewer calls were received. The centre's director is concerned that as the unemployment situation becomes more severe and as the economy slips into deeper recession, the number of suicides will increase drastically.

**Mr. Kelly:** That is a distortion of the facts.

**Miss MacDonald:** Family breakdown, suicide, wife battering and alcoholism are tragic companions of unemployment.

**Mr. McDermid:** Why were those facts not in your speech?

**Miss MacDonald:** It was my hope to hear the minister and other members of the Liberal Party outline this afternoon what the government proposes to do to start coping with the tremendous problem that all of us want to see remedied. I had hoped he would bring forward some proposals and follow the lead taken by the hon. member for Rosedale (Mr. Crombie) in recognizing what is truly a monumental problem, and would recognize the fundamental shifts which we are going through in the economy, shifts which require the minister and his government to come up with imaginative new methods of job creation in order to alleviate today's terrible situation. What we need from the minister is a new sense of direction and a new spirit of co-operation. Instead, we had an exhibition from a person who was unable to cope with the magnitude of the problem which confronts him. Instead, he falls back on the defensive and lashes out at anyone and everyone in a desperate attempt to shift the blame. The minister blamed the other industrialized countries, he blamed the opposition, he blamed South Africa, he blamed foreign policy—whoever he could. But he gave us very little of a positive nature to show that the

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government is seriously trying to reverse the increasing unemployment.

I ask: what comfort, what consolation or hope does this kind of diatribe offer to the more than one million unemployed? It would be much better if the minister would face up to the hard facts about the economy. The basic fact is this: high interest rates drive up unemployment.

We heard all the provincial premiers saying the same thing this week; only the federal government was out of step. The fact that high interest rates drive up unemployment is particularly true in the manufacturing sector. When the economy is tight, people do not have the money to spend on commodities, and when these commodities are not being purchased, the manufacturing plants cut back on production. This is certainly apparent in my riding of Kingston and the Islands where over 850 workers have been laid off in six different manufacturing plants since October of last year. The number of unemployment insurance claims for the week of January 29 had increased by some 18 per cent over the same period last year. Between January 1 and January 18 there was an increase of 10 per cent in welfare claims in my constituency. That is only one constituency, but it is happening all across Canada.

Figures do not tell the whole story. In fact, all too often statistics try to smooth out what is a much more tragic situation. We are inclined to forget the faces behind those figures, the thousands who are forced to accept handouts, when what they really want is jobs.

● (2030)

A woman called from my constituency today and told me of the difficulties she and her husband are facing. Both of them had been in good jobs and had looked forward to a secure future. They were buying a home, and then suddenly both of them were laid off because of circumstances well beyond their control; and their mortgage payments were increased. She said: "How can we get ourselves out of this situation? We didn't ask for it. We had been conscientious, hard working people, and suddenly we face this calamity".

What can we tell people like that at this critical period of their lives? Are we to tell them there will be many job creation projects for them when, indeed, there are so few? In fact, the money currently being spent on job creation projects is about \$143 million, when the unemployment figure is 8.6 per cent. Do hon. members know that back in 1971 when the unemployment rate was much lower, at 6 per cent, the government spent \$339 million on direct job creation? But now when the situation is much worse, the government cuts back.

I want to say just a few words about the unemployment situation as it applies to women in particular because there is great uncertainty for women in the labour force at the present time, but looking down the road it appears that the situation may be much worse. Some 50 per cent of all Canadian women now work, but by the year 2000 some 75 per cent of Canadian women are expected to be working, and that means five out of every ten workers will be women.

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In the last number of years, as women entered the labour force, they went primarily into the service sectors where the economy had expanded to allow that kind of entry into the work force, but that tertiary sector of the economy is now saturated and women who will be entering the labour force will not have that opportunity. The question is whether they will be trained for other jobs. Will they have the opportunity to train for jobs which have normally been classified as "men's jobs"? We see very little of this at the present time. Yes, there are a few programs the government has undertaken, and I am glad to see that, but they are minimal compared with the number of retraining and job creation projects needed to accommodate the great number of women who will be entering the labour force throughout the 1980s. They will be needed to retrain those women who are in secretarial and clerical positions but who will not be able to remain in those positions as they become more and more automated. The government should be making tremendous efforts to enrol these people in new job creation projects or retraining projects.

I urge the government to realize there is still a much bigger challenge facing it. There is a much bigger problem awaiting us as we go through the 1980s as far as women in the work force are concerned. I plead with the minister that he do far more now to prepare for that eventuality than the government is doing at the present time.

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, I welcome this opportunity to speak about what is really the number one political issue in Canada today. In the last few weeks I have talked to people in my constituency and in the area, and time and again I have been told this is the issue they see as being crucial. The leader of my party, the hon. member for Oshawa (Mr. Broadbent), has just finished completing a tour of a number of centres across Canada. On that tour he highlighted this and pointed to the fact that our party will be working to make this the number one political issue in Canada. I am pleased to see that the party to my right has also begun to see the light.

For anyone who has listened to what New Democrats have been saying over the past few months—indeed, the past few years—the current crisis should not be any surprise because time and again we have warned the government and the Canadian people that our present policies have been leading to disaster.

Unemployment is a basic and number one issue for two main reasons. First, there is the personal dimension of suffering by those who are directly involved. Second, we must recognize the drain unemployment imposes on local, regional and national economies.

If I could talk for just a moment about the personal dimension, when we recognize that every day—from last August right through to today and, according to government predictions, right on to at least March—3,000 more people are thrown into the ranks of the unemployed, we need to realize the difficulty each one of those 3,000 people faces in trying to keep afloat in the flood of inflation with only unemployment insurance or welfare to help them. We need to recognize the

feeling parents have as they see lost opportunities for their children and forgo the things they simply cannot afford but a few weeks ago would have considered absolutely essential. We need to look at the big question mark which hangs over the heads of middle aged and older employees who have been terminated from jobs to which there seems to be no call-back, and they wonder where they can go to get any kinds of jobs again. These are people who all their lives have been productive employees and contributors to our society, and they are now being tossed to one side.

When we talk to these people, we often find that somehow the callous attitude of society which often blames the victim has got through to them so that they have a personal sense of failure. We need to convey very clearly to them and to all Canadians that it is not the victims of unemployment who are at fault but rather this government that has refused to take any action because that does not fit in with its narrow priorities.

Second, we need to recognize that when some one million Canadians are listed as officially unemployed and another 648,000 are rather euphemistically called "discouraged workers", making a total of 1,635,000 people who are out of work, that is not simply a number of small personal tragedies but has become a national disaster. "Discouraged workers" is the phrase Statistics Canada uses for those people who are no longer actively seeking employment because they have given up looking because they realize there are simply no jobs to be had.

When we consider the money paid out in unemployment insurance and in welfare, when we consider the loss of tax revenue and the loss of production of goods and services and when we look at the depressing effect on business, we have to say that unemployment is not just a series of personal tragedies but, in fact, a national disaster. At the very time when small businesses face killing high interest rates, they are also hit with reduced demand because people who do not have money coming in as wages do not have money to spend in stores and restaurants.

It might seem I am merely restating the obvious, but unfortunately the government cannot, or will not, see the obvious. Some of the Liberal backbenchers almost got the message during this past winter break when they returned to their constituencies and began to understand some of the ramifications of the budget policies of this government, but then they came back to Ottawa and got another message. It was a very simple message.

**Mr. Blaikie:** "Do as you are told".

**Mr. Manly:** "Get in line". I noticed last week at the time of the vote they were all in line. They were all present and accounted for. It seems that all the members on the opposite side share the vision of the Minister of Finance (Mr. MacEachen). Instead of seeing the obvious, they share a vision that denies the everyday reality of 1,600,000 Canadians.



● (2040)

I want to speak briefly about the extent of the problem. Although I will concentrate on British Columbia, that part of Canada I know best, other provinces and other communities suffer in the same way.

Before Christmas I took part in a tour arranged by our caucus during which we visited communities across Canada. At that time we discovered that the problems of the fish plant workers in Newfoundland were very much the same as the problems of the fish plant workers in Victoria or Prince Rupert. Factory workers in Nova Scotia face the same personal problems as the unemployed mill workers in British Columbia or the auto workers in Ontario.

Across Canada there were 122,000 fewer jobs in December of 1981 than in September of that year; there were 57,000 fewer jobs in December than there had been in November. In 1980, on the other hand, jobs actually increased from September to November by 64,000. This past year the number of jobs declined by 122,000.

When we look at the projections in the budget we see that we will continue to be faced with unemployment rates of 8 per cent, or above, right through until 1985, and by 1986 the government hopes we might get that down to just slightly below eight per cent. Today we saw that leaked document which said that by the end of March there will be 175,000 more unemployed than now. In British Columbia we have 115,000 people officially unemployed—an all time high. We have another 50,000 so called discouraged workers who are not on the official rolls, making a total of 165,000 British Columbians who should be working but cannot find jobs.

In Victoria the regional rate rose from eight per cent in November to 8.7 per cent in December. On other parts of Vancouver Island it rose from 10.2 per cent in November to 11.5 per cent in December, and that compares with 7.1 per cent in December of 1980. The number of people who were actually employed in British Columbia dropped by 34,000 between September and December of 1981.

Over the past year, 18 industries in Victoria have closed, throwing people out of work; 40 people in one industry, 120 in another and 200 in yet another. I would like to talk about a couple of those industries.

First let me refer to the Oakland fish plant where 250 jobs are on the line. This is a plant owned and controlled by Japanese interests. It is a modern facility only seven years old. It has been making a profit, but the multinational corporations which control it feel they can make even more of a profit if they rationalize, as they say, their operations on the lower mainland. With no consideration for the communities or the people involved this plant is to be shut down and the industry will be rationalized on the lower mainland.

This is the same sort of thing that happened with the Nelson Brothers cannery after B.C. Packers took over. It is now in the process of rationalizing its production and shutting down the Nelson Brothers plant at Port Edward, concentrating everything at the new Oceanside plant in the city of Prince Rupert.

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On the Saanich peninsula there has been an active potato growing industry for many years, but because there has been a problem with what is called golden nematodes, the Minister of Agriculture (Mr. Whelan) has put a ban on the export of those potatoes. The local producers feel they have a reasonable proposal which will help them to save their industry and thereby save 180 jobs. They have asked for a meeting with the minister, but so far he has not even responded to their request. In a community like Victoria where you have 18 industries closing down over a period of a year, you reach a point where there is a critical mass loss, and other industries follow suit.

Again in my riding we have the example of Honeymoon Bay where 356 permanent jobs were lost. The reasons for the closure were fairly obvious. There was an antiquated mill, a shortage of timber supplies and a downturn in markets. Some 40 years ago that was a new mill in a beautiful new stand of timber. I would like to ask you, Mr. Speaker, and through you the other members of this House, if the workers at Honeymoon Bay had had the responsibility for planning the future of their community would they have managed things in this way? Would they have ripped off tremendous profits and sent them down to Vancouver and other metropolitan centres in the United States; creaming the profits and allowing that plant to become antiquated? Would they have followed logging methods which did not take any account of tomorrow? Would they have followed the export policy of sending out huge amounts of timber to be further processed in Japan or Australia rather than demanding that every possible bit of processing be done in British Columbia?

I believe if workers had the opportunity to do some of the planning for their own jobs they would do a darn sight better than the multinational corporations have done so far. They come in, grab the profits, move out and leave the communities bankrupt and the people unemployed.

As a result of this kind of unemployment in major industries, stores, car lots and many secondary parts of our society also suffer. In a modern society such as Canada's, unemployment simply does not happen like the weather but rather is caused by human decisions. Those human decisions are the result of the policies of that government over there.

First of all, at the present time we have high interest rates and we have experienced a fall-off in housing demand in Canada. A decrease in housing demand has a direct effect on plywood and construction workers. High interest rates mean decreased consumer demand, and certainly high interest rates represent a stated, and continually stated, policy of the government opposite.

Second, we have an economy that is dependent on the export of raw or semi-processed resources—a branch plant manufacturing economy. I was interested to hear the Parliamentary Secretary to the President of the Treasury Board (Mr. Kelly) say this afternoon that one of the reasons for unemployment is that we have a branch plant manufacturing sector. That sounded almost like something we have been saying for the last several years. Then he went on to say that this had nothing whatever to do with government policy.

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Mr. Kelly: I was not saying that for your benefit; I was saying it for theirs.

Mr. Maaly: When the hon. member tries to maintain that this had nothing whatever to do with government policy, when, since the Second World War, the Liberal government has been trying to take a shortcut to industrialization by inviting branch plants into Canada instead of developing our own manufacturing sector, he completely ignores the reality of the situation. The export of raw resources and the branch plant manufacturing sector depend completely on decisions made outside Canada. Thus our economy becomes completely dependent upon forces over which we have no control. In the face of the crisis of today, the government stands idle and says that there is nothing it can do about it and that it is not really what it wanted.

● (2030)

The third reason for the unemployment crisis is government failure and bungling. I should like to refer to some small examples of this. Turning to the fishing industry in British Columbia, because of the pressure on stocks the government decided that there would be area licensing. This means a fishing boat can be licensed either for the north or south portion of the coast. However, in order to accommodate people who own fishing vessels, a person with a license for the north can transfer it to another boat owner who is fishing in the south. This means that one boat owner can have a license for fishing both in the north and south if he co-operates with the owner of another vessel. Perhaps this policy looks after the problem with fish stocks. I do not know, but it certainly puts more fishermen out of work. Effectively it cuts in half the number of fishermen.

Yesterday the hon. member for Skeena (Mr. Fulton) referred to the problem in the Canadian copper industry. In the time remaining I should like to refer to some steps which must be taken. First, the government should lower interest rates and make money available for housing, which we desperately need in Canada today. It should require performance guarantees for large corporations that are coming into Canada to deal with our resources. The government can do simple things to help individuals, such as amending its unemployment insurance regulations to allow high-seniority employees to take temporary lay-offs instead of younger low-seniority employees who are just getting started and are more in need of their jobs.

Last autumn the government of British Columbia had an abortive session at which absolutely nothing was done. The Social Credit government of British Columbia is a coalition of Liberals and Conservatives. The effect of the coalition is that when the government faces hard times, it has two responses. The first one is to cut back on social services and the second is to increase the giveaway of resources, in the hope of making a fast buck in order to obtain money for election goodies. The New Democratic Party presented a total of 19 practical and reasonable proposals which it wanted to see the government adopt. Not one has been adopted. I should like to refer to some of its proposals which would help to alleviate the housing,

unemployment and interest rate crisis. One was a crash program to supply Crown land for senior citizens' co-operatives and non-profit housing. Another was to initiate an intensive program of silviculture. Another was the development of the salmonid enhancement program. The federal government could also be involved in some of these areas.

In conclusion, Canadians are doing badly. They deserve better. They are beginning to work and to organize in an attempt to obtain a better government, one which will lead to a decent society and a just economy.

Some hon. Members: Hear, hear!

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased to enter into this debate to talk about an important aspect of employment—federal government efforts with regard to direct job creation. The present high rates of unemployment affect different regions in different ways. They also affect different groups in the labour force in different ways. Some groups are harder hit than others, some regions are harder hit than others. For this reason the government has had a specific policy in an attempt to target direct job creation programs to those areas and regions of the country in greatest need. I think it is worth looking at what the government has done. If one listened to the nonsense we have heard from the other side of the House tonight, one would think that the government was doing nothing. In fact, we are doing a lot about which I should like to talk tonight.

The government is not just creating or sustaining jobs through its direct job creation programs. It should be pointed out that there were 104,000 of them in this fiscal year alone. It is targeting those jobs toward those parts of the country and those groups of people who are in greatest need.

Mr. McDermid: Like CN employees?

Mr. Smith: Hon. members opposite should listen and learn. For example, 45,000 of these jobs have been developed through the Canada employment program by Canada community development projects and Canada community services projects.

Some hon. Members: Oh, oh!

Mr. Smith: Hon. members opposite should listen. These programs, with a combined expenditure of almost \$136 million, have targeted job creation into those regions where unemployment has been highest. For example, 38 per cent of the jobs have been created in the Atlantic provinces. We all know of the problems down there. I am sure hon. members from that region will be glad to hear about that 38 per cent. A further 33 per cent of the jobs were created in Quebec. Also the programs were targeted to those groups in society who face greater difficulty during a period such as the one we are in.

The programs which are in existence contain special measures to encourage project sponsors to hire young people, women, native people and handicapped workers. These meas-

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ures have not only been well received, they have been successful. Through these programs, jobs have been created for more than 22,000 young people in various parts of the country where otherwise they would have faced many more problems in entering or staying in the labour market.

**Mr. McDermid:** Tell that to the 500,000 people who are unemployed.

**Mr. Smith:** Are we hearing from the red or the blue Tories now? In Canada community development projects, almost 30 per cent of the participants are women, and in the Canada community services projects women participants comprise 70 per cent of those for whom jobs have been created. The statistics are really amazing when one takes a close look at them. For example, in Canada community development projects, 15 per cent of the jobs which have been created in construction-related activity are being filled by women, whereas in society as a whole, there is only 1.1 per cent female employment in the construction industry. It is a real achievement and a successful indication of targeting.

Now I should like to talk about entry and re-entry. In the case of Canada community services projects where a high proportion of the participants are women, the program provides a means of entry or, in many cases, re-entry into the labour market and so addresses a particular need of women at this point in time.

I should like to talk for a minute about handicapped persons. In addition to creating facilities and services for the handicapped, such as making various buildings accessible to those who are handicapped, direct job creation programs have provided employment to more than 1,600 people with some form of physical disability. I see the hon. member for Oxford (Mr. Halliday) here tonight. He was a very helpful member of the committee which travelled across the country and listened to many handicapped people. There is no doubt that this group requires special attention, which is exactly what these programs have been endeavouring to do and have been doing successfully.

Direct job creation programs are also targeted toward the employment needs of the country's native people. For example, in the western provinces 45 per cent of the funds of Canada community development projects have been directed toward the creation of native employment. Native job creation proposals have first claim on a portion of the program allocation. This year the government introduced a special \$6 million component of Canada community development projects which is being used in urban centres across the western provinces, to facilitate the entry and adjustment of native people into urban labour markets and the opportunities for employment which these afford.

In non-urban areas, job creation funds have been used in conjunction with the on-reserve housing program of the Department of Indian Affairs and Northern Development to address the serious problems of native housing. Anyone who has spent any time on reserves is very familiar with the high priority that social need presents. It has also been used by the

bands across the country to meet other community infrastructure needs. It is important to know that these jobs are not make-work activity. They are legitimate jobs. It is not just a question of jobs for the sake of jobs.

● (2100)

I read an article in *Time* magazine on the one hundredth anniversary of the birth of Franklin D. Roosevelt. It mentioned some of the types of job creation programs that were spawned by Harry Hopkins in the early days of the New Deal. There were such things as the hiring of 100 people to go around Washington with balloons filled with helium to scare the starlings away from public buildings. He hired guys to chase tumbleweeds across the prairies. He hired artists to paint pictures, and then he hired other artists to paint pictures of the artists painting pictures.

There is none of that in what this government is doing. Every single one of these jobs is a legitimate job and it is not just jobs for the sake of jobs.

**Some hon. Members:** Oh, oh!

**Mr. Smith:** If you want some examples of what we are doing, listen and learn. It is always good to learn something.

We are doing such things as retrofitting, municipal energy conservation and other energy conservation projects. We have fish storage sheds, wharf improvements, harbour construction to support the fisheries sector, as we have just heard from the hon. member for Cowichan-Malahat-The Islands (Mr. Manly). These are some of the things we are doing in terms of that industry. There is also the development of tourist facilities and services to increase the cash flow into communities. There is restoration and development of community facilities, including main street restoration projects. Then there is environmental conservation and reclamation activities, such as clearing fish spawning grounds and forest stand improvement. There are feasibility studies on the potential for the commercial development of local resources, such as community pasture, blueberry production and maple sugaring.

About 60 per cent of the projects carried out under the Canada community development projects are in the area of light construction.

In addition to leaving assets of value in communities and creating downstream economic possibilities in certain sectors, these projects have a multiplier effect in the creation of jobs in the supply industries.

To give you an indication of how quickly the government is responding, it should be pointed out that because these programs are an effective means of providing quick, targeted direct action, the government increased its expenditures on this form of job creation by 20 per cent last December, which created jobs for over 6,000 more people.

Direct job creation programs are also used in special cases where there is a rapid or unexpected deterioration or unemployment through the special response feature which, in December, was increased from \$4 million to \$8 million over

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this year and next. The programs can create jobs quickly in situations where immediate employment is needed while more long term responses are brought to bear.

I want to talk a little bit about young people. In all of its job creation activities, the government has been particularly sensitive to the needs of young people. In addition to the special methods employed in the general job creation programs, the particular needs of students for employment experience, career development and earning with which to continue further education has also been recognized. These are being addressed by a \$100 million job creation program this summer which will create jobs for more than 51,000 young people. Let that figure sink in, hon. members. Think of it, it will help 51,000 young people this summer. It will assist in placing 296,000 more in private sector employment. Have you got that, hon. members? These jobs, whether they are internships in the public service, in the voluntary sector, or jobs on projects operated by the federal, municipal and community sectors across the country, will provide real work experience and earnings for these young people. They say we are not doing anything. What nonsense! I hope those figures have sunk in.

Permanent employment is also something that must always be kept in mind. The government is also aware of the need in certain sectors to work toward the creation of permanent employment. Under the Canada community service project, the funds provided to community agencies are provided for up to three years, with a decreasing amount being provided in the second and third years. This enables agencies to build the activity into their ongoing budget. Many of the jobs created in this program will then be continuing beyond the period of funding.

The long term local employment assistance program continues successfully to establish permanent jobs in small community based commercial enterprises for people who are chronically unemployed. Many of the projects which create jobs for people on this program go on to become independent of program funding and to offer continuing employment prospects for people who would have remained at the margins of the labour force and of the economy.

The government has also recognized that in some parts of the country it is now necessary to move beyond the project by project approach and to provide support through a process of local economic and employment development. I would say this thinking was also reflected in the government's recent reorganization whereby the functions of DREE and ITC were basically merged.

In 13 communities across the country, the concept of local economic development corporations is being tested with encouraging results. Through funding provided by the local economic development assistance program, locally established corporations will be able to bring local support and entrepreneurial talent—and I know the hon. member for Bow River (Mr. Taylor) loves to hear that sort of thing because he, like I, believes in incentive and initiative to bear on the problems and challenges of developing a more secure employment base.

**Mr. Beatty:** He is a Conservative and you are a Liberal.

**Mr. Huntington:** You don't understand the budget.

**Mr. Smith:** These autonomous local bodies are beginning to develop plans and industrial strategies to assist local employment to create business projects and to increase the flow of investment into the community.

The total direct job creation expenditure of more than \$304 million represents a significant and carefully targeted use of tight resources to increase the stock of jobs and to direct these new jobs toward those who would otherwise, in this situation, face even greater disparity and disadvantage.

I think it is important for these figures to be raised here in the House. If hon. members listened to the debate today and the remarks made by the members on the other side, they would think that nothing was happening on this side of the House. Of course, when you deal with the Tories, it depends which brand you have. If you have a red Tory, he says spend, spend, and more jobs, more jobs. If you have a blue Tory speaking, you hear such things as hold the line on the deficit and let us have less spending. Where are they? I do not know. It depends on whom you listen to. But it is like a revolving door.

But at least in the case of the NDP, we just hear them say spend, spend, spend. What we are trying to do is to spend a reasonable amount in targeted areas, both in terms of different groups in society where there are particular needs, such as women, young people, the handicapped and the native people, and also with particular emphasis in those regions of the country where there is a greater need than the others.

I think that any objective person who looks at their figures will come to the conclusion that this government is making serious and reasonable efforts to come to grips with the job situation in the country at this time.

**Hon. Elmer M. MacKay (Central Nova):** Mr. Speaker, it is a pleasure to take part in a debate of this nature that is so relevant and so starkly underlined not only by the conditions in our country but the important conference that is going on at this time between the Prime Minister (Mr. Trudeau) and the premiers.

One of the great writers of this country, either Hugh MacLennan or Bruce Hutchison once wrote about the two solitudes, the twin solitudes in Canada. By that, he meant the French and English. But I think some of our economic difficulties that are causing the problems with unemployment and other economic vicissitudes in this country are caused by a third solitude, a solitude created by the kind of mandarin mentality that seems to be permeating through the upper echelons of our governmental process, whether they are technocrats, bureaucrats, aristocrats, or whatever, and there seems to be an air of unreality about them. They speak a language which only they can understand. To use a dreadful bureaucratic word, I guess they do not interface with the real world anymore. I think Allan Fotheringham, a contemporary writer of style, substance and wit, had something very definitive to say about this budget, which is the cause of much of the economic difficulties in Canada. He said that those dead-eyed

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guys in finance more or less blackjacked the Minister of Finance (Mr. MacEachen), who is essentially a creature of academia in the House of Commons, without the street smarts that some of his predecessors had as ministers of finance who recognized the difference between the way things are and the way they ought to be. I think there is something in that. It is also very clear that this government opposite is facing a very severe dilemma. When the Liberals were in opposition for that all too brief a period in 1979, they made some very unctuous and sanctimonious predictions of what was going to happen if we as a government did not do something with interest rates. I remember well the Prime Minister's statement when he was campaigning, about two years ago in Toronto, when he promised that he would manage the economy in such a way that interest rates would in fact come down because the economy would be administered in a sounder way.

• (2110)

We all remember the famous pronouncement on national TV by the present Minister of Regional Economic Expansion (Mr. Gray) when he promised to resign if something was not done about rising interest rates. Now this evening I look across at my colleagues and I am reminded of that bit of doggerel published many years ago when the country had a problem and the Liberals were in power. I think it went something like this:

Look upon the Grits, the grimy, grizzly Grits  
What a woebegone expression  
across their faces flits; For they're thinking,  
thinking deeply how to run the country  
cheaply, and they wonder how in thunder  
it is going to be done.

Well, we as a government faced some of the same dilemmas they do now, Mr. Speaker. We perhaps were fortunate, while admittedly following a policy on interest rates similar to that which is being followed today, that the interest rates did not go through what I would refer to as a threshold of stability. They did not go up to the astronomical heights which measure the difference between something you can bear and something that is intolerable.

There was another thing that we as a government were about to do and which I would heartily recommend to this government, that is to give relief to those suffering from high interest rates, not only for the purpose of helping in their personal lives, but to induce the business sector to create jobs. Let us not forget that while Americans are at present suffering from high interest rates, they are much more able to cope with them than we are because they have possibilities for deductions that we do not. They can deduct some interest charges that we cannot. Whereas we were prepared to give the taxpayer a break with respect to their mortgage interest costs and their tax costs, and were prepared to give relief to people suffering from high energy prices, this government is not.

Therefore, because of the various circumstances it becomes apparent that we can no longer afford to tie ourselves absolutely to the American financial and interest patterns. Many of the provincial premiers are making this same case and in a much more learned and effective way than I am. I am like the Minister of Finance, neither an economist nor the son of an economist. I only have a passing acquaintance with the great

economists of the day, such as Arthur Laffer and Milton Friedman. Once I heard the Prime Minister speak about Schumpeter at Harvard. However, I have never heard the Minister of Finance speak about any economist. As a matter of fact, I understand he resolutely shuns places where economists are. He has never written anything about economics and does not really wish to learn. I am sorry about that, and so is the country, but those appear to be the facts.

Now, Mr. Speaker, it is not being entirely responsible to criticize the government without offering alternatives. I really believe it would be feasible for the Bank of Canada and this government to get together on a lower interest rate policy, even if the dollar were to fall to the 75 cent level. I say this because it seems to me obvious that some changes should be made in our taxation policy and some of the incentives should be put back that the Liberal government began to choke off when it imposed capital gains taxes, and left them on even though we are not being taxed on inflation since 1971 and are suffering absolute confiscation by the state in the sense that any person who tries to build up a business is not only being taxed, but taxed on inflation. If that atmosphere were removed and something were done to stimulate the economy and put back some incentive for people to create jobs, the fact that the dollar would fall temporarily would not necessarily mean a flight of capital—of that I am sure. There would be Swiss, German and American money lured into Canada by the fact they could make 30 per cent or 40 per cent on the front end, as they say. And then, as the economy strengthened and the resource sectors were put back to work, our currency would firm up as our productivity and economy expanded, and they would make money again, on the rise.

However, leaving that for a moment, I would like to talk about job creation and things that could be done to help some of our industries. First of all, I would like to talk about my own region. We know, Mr. Speaker, it is not necessarily being responsible to urge unrestricted spending to help an industry when sometimes a change in policy will do the trick. We have a couple of very relevant industries in Nova Scotia which seem to fall squarely within the purview of the new ministry of regional, international, or whatever it is called, economic development. I still do not have the title quite straight in my own mind; all I know is that DREE is gone and there is nothing so far to replace it. All of the former agreements involving forestry and agriculture are hanging in limbo, and the economy is suffering.

However, there are two industries which concern me and I wish to make a pitch, as it were, to the minister responsible, as I already have today in a letter. I am talking about Sydney Steel Corporation in Sydney, Nova Scotia, and Hawker Siddeley in Trenton, Nova Scotia. These two industries together employ 5,000 people when things are going well. They both have a very high potential for export as well as domestic production.

Sydney Steel desperately needs more rail orders from the CNR. At the present time they are getting about 88,000 tons per year. They should be getting double that amount because

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only in this way can they stabilize their production and advance their technology. They make a very good product, the city of Sydney is very heavily dependent on the company, and it would not require any great amount of money to carry out this policy option, just a directive. Hawker Siddeley, which is close, economically and geographically, is to some extent dependent on Sydney Steel. It has a virtual monopoly on the production of railway axles in this country. This particular industry requires upgrading and there has to be some sort of incentive or assistance given to secure its future. Again, it employs nearly 2,000 people and makes Trenton, Nova Scotia, practically a one-industry town. The government can very easily assure the future of these jobs, not by spending a lot of money but by offering incentives and changing its industrial strategy.

Another industry in Nova Scotia, one which represents the opposite extreme, a new and modern industry which has placed Nova Scotia at the forefront of rubber technology, is Michelin Tire. This industry is suffering from the existing import duties and is being hit by countervailing duties on the other hand, Mr. Speaker. Again, this is something that the government can change and which will not require spending nor much loss of revenue, because this tire company has made it very clear that, in the process of rationalizing the Canadian rubber industry, they are prepared to take on all comers and perhaps encourage a healthy competitive expansion of some of their competitors if they want to take advantage of the more advantageous conditions.

Now, Mr. Speaker, the absence of job-creating programs that really count is one of the problems that we as politicians have to face. The minister responsible for these programs certainly means well. He is putting together programs, but they have no real significance in the long term, and he knows that. The term band-aid has been used ad nauseum, but there is some truth to it when it comes to lasting worth and real production gains. It is really a temporary solution. There is something to be said, I think, for looking at management techniques that we find in the industries in which government participates.

Now let me talk about transportation for a moment. Politicians have said from time to time, various ministers of regional economic expansion and other politicians, including the Prime Minister, that, yes indeed, transportation is certainly a key component in regional development and the creation of jobs, obviously. Well, we have seen recently in Atlantic Canada that our transportation rail network has been curtailed. There is no doubt about that. But I am looking right now at the executive structure of the CNR. When Air Canada had very capable financial and aeronautical expertise, it did well as a Crown corporation. Then, as we know, a few years ago we had a corporation lawyer, Yves Pratt, put in a key executive position, and the airline did very badly. The management and the act were changed and Air Canada is doing very well today.

• (2120)

CN is now going through a similar phase which could be key to the success of jobs and industry. Mr. Bandeen has gone. Some say that he did not leave but was pushed. Some say that he was fired because of some of the deals he had proposed, such as the acquisition of cast, which was rejected by the board; and the bus company that he purchased in Quebec without bothering to tell some of his directors did not go over too well. Perhaps his previous threats of resignation for a better job in the States did not wash. Anyway, he is gone for whatever reason.

Therefore, I am getting a sense of déjà vu. I am wondering if we will get one of our former colleagues, Jack Horner or Otto Lang in CN either as chairman or president.

An hon. Member: Heaven forbid!

Mr. MacKay: Maybe we will see Dr. Leclaire, a former mandarin, put into the post that Pratt, occupied in Air Canada! Maybe we will be reading "Horner for Mackasey". I recall now the hon. member for Lincoln (Mr. Mackasey) was put in at one point to look after Air Canada, or maybe we will be reading "Leclaire for Pratt". I hope not, because this Crown corporation is too important to be managed by failed politicians. Surely the welfare of the CN and of our great transport network, which, in turn, is so important to our economy, will be held more important than to be used as a repository for people who, while they may be very capable in their own right, have no business running a large, complex corporation which requires special expertise.

Some hon. Members: Hear, hear!

Mr. MacKay: Let us then look at some of the key industries which this government has manipulated or tried to help. We will give the government the benefit of the doubt. Maybe it meant well however. Let us look at DeHavilland and Canadair. Let us look at the debacle which is shaping up there. I have had questions on the order paper since last November asking some very simple questions about Canadair, such as, "How many planes have been delivered? What was the cost? What are the projections? When will we ever have a break-even point?"

The situation is very bad, and everyone knows that, but no one wants to talk about it. Massey Ferguson is another great Canadian multinational. However, the problem is that despite all the money put in to create jobs, very few of the jobs, comparatively speaking, are in Canada as a matter of interest since we have been discussing economic nationalism from time to time, and have been justifying our national energy policy with it, to the detriment of our whole economy in jobs. The United States does not take kindly to what this government is doing, and they are going one way and we are going another, and we have also thrown metrication in to further complicate it. I used to think that freedom to measure was a measure of freedom, but now we are being prosecuted for using imperial measurements.

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However, to come back to the situation with Massey Ferguson, and the fact that very few of its jobs, comparatively speaking, are in Canada, it is interesting that even its chief executive officers have a very international flavour, too. I mean, the head of engineering, Mr. Ramsey, hails from South Africa; Mr. Porter, head of finance, from the United Kingdom; and Mr. Lorenzo, who hails from the United States, is supposedly the president and runs the company. But what has he ever run before? Where is the management expertise that we need to protect the interest of the people of Canada and the Government of Canada's interest in this great corporation? Victor Rice, the chief ex officer also hails from the U.K.

We would be very foolish, and it would be fallacious, to say that because people are not Canadians, they are not capable of running a corporation. But surely we have Canadian executive talent here, and if we are going shopping for a good operations officer, do we get a man like Mr. Lorenzo, who has never run anything and whose background is as a comptroller? Would it not be advisable to get a good operations officer from John Deere or someone who has run a successful company, to protect the interest and market and ensure the viability of this corporation? I would think so.

Then we see another area of our technology which creates a lot of jobs. We are looking at Northern Telecom and Bell. Again, we are going the other way. The United States justice department had sense enough to indirectly make AT&T divest itself of part of its integrated operation to open up industry and to create jobs. Here again we are going the opposite way. We are paying 25 cents for phone calls in parts of Canada which cost 10 cents in the United States. Northern Telecom makes money in Canada and spends it in the United States. The whole concept is wrong. All we have to do is to look across the border to see what the Americans are doing. However, again we never learn.

All of these matters are relevant to jobs and employment, I suggest, because we cannot have a healthy and expanding economy in this country until we get our economic act together. We should not persist in manipulating and intervening in the marketplace, and we should not persist in imposing bureaucratic structures or our primary industries. Why, in Nova Scotia, right now, despite the well meaning approach of the Minister of Fisheries (Mr. LeBlanc), I know of fishermen who have not filled their quotas, who would like to catch fish and who have markets for them in the United States, and truckers who are anxious to put their vehicles to work and create jobs by hauling these fish to the United States, but cannot do it because of the bureaucratic regulations. I am told that, while the situation is serious and they recognize the problems, the regulations cannot be changed for several months. Another instance, which is very important to some of the fishermen involved, is that one cannot even pass certain kinds of fishing licenses from father to son, which had become a tradition in the family for lifetimes, because of bureaucratic regulations.

We must make up our minds as to what kind of an economy we will have in this country. Will we have an economy which

makes sense, which gives people incentives to do things, to save money and to create jobs, or will we move toward a state-owned economy, such as we see in some of the eastern European bloc countries where the governments, their mandarins, their technocrats and their apparatchiks intervene in all the fabrics of their industrial, social and economic life? If that is the kind of economy that we want, well, that is certainly the kind of economy that we are creating today. It has not come overnight and it has not come by stealth. It is the end result of a deliberate economic theory which has been propounded by the Prime Minister and his government ever since he came into office. We have seen it in the various interventionist methods he has chosen to follow.

We have now seen the results with our greatest friend and trading partner, the United States. We have seen that the United States has refrained, for the time being, from passing retaliatory legislation about our access to its oil and gas industry. However, we hear with disgust that it will pass legislation restricting Canadian initiatives in acquiring U.S. cable TV licenses, which is another field of expertise in which we were once world leaders, but because of the fuzzy interventionist and contradictory policies of the CRTC, now we are lagging behind. Many Canadians cannot understand why there are 60 channels up there on a satellite which they could have for almost nothing but, because of the CRTC, they have to do without them. Some people who would like to have some of these channels must pay very large fees in order to receive them.

These kinds of things do not make sense, and the end result is that they cost people jobs and they cause people frustration. As some hon. members have said, when unemployment is a result, there is a very, very heavy social cost. There is nothing more heartbreaking than for a man or woman not to be able to have a productive job and to do something which is worthwhile for their country.

I will close by saying this: if we could instill in our people the kind of patriotism, pride in their work and the incentive to do well that the Japanese have instilled in their work force, we would have the Americans backed up against the Mexican border and our economy would be booming. The only suggestion I can make is that if we take some of these dead-eyed guys in finance to whom Allen Fotheringham referred, and some of them in other departments as well, and send them on an exchange program to Japan, maybe then they might come back with a slightly different slant on things.

Some hon. Members: Hear, hear!

Mr. George Henderson (Egmont): Mr. Speaker, in rising to speak to the motion this evening, I would first like to say that I, like the hon. member who spoke previously, represent a riding in Atlantic Canada, in Prince Edward Island. My riding, like most Atlantic Canadian ridings, is heavily dependent on Canada Employment and Immigration for job creation and job creation programs. The base industries of my riding are agriculture, fisheries and tourism. The secondary industries and small businesses are those which could be classed as

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the service industries to the primary industries. I am thinking mainly of service outlets for farm equipment and fishing-supplies, welding shops, and everything which is of importance to the agriculture and fishing industries of my area. Therefore, we probably have and will continue to have, simply because of climatic conditions and the seasonal aspect of those industries, certain times of the year when there are high rates of unemployment, especially during the winter months.

● (2130)

We have been fortunate both this year and last year because the Minister of Employment and Immigration (Mr. Axworthy) has used my riding very well. This year we received \$1.6 million toward the Canada community development program for projects to be implemented in the riding over the winter and coming spring. These community-based projects will have a significant impact on the future of many of our small villages and communities.

There are projects such as providing assistance to community pastures which will help our farmers and the agricultural industry. There will be projects such as repairs to fishing wharves, supplemented by material supplied by the small craft harbours branch of the Department of Fisheries and Oceans. These projects will help improve the infrastructure of the wharves and ports for our fishermen. There are projects such as clearing scrubland for the development of crops such as blueberries. As well, there will be surveys of historical sites, identifying potential new businesses for these areas and so on. All these projects will help the local community organizations plan for the future.

This government has been contributing in a very meaningful way toward the creation of jobs. There are other interesting statistics on the magnitude of that contribution made in the Atlantic provinces by this government through the Department of Employment and Immigration.

In the fiscal year 1981-82, the Canada Employment and Immigration Commission contributed \$187.4 million to the four Atlantic provinces for job training, job creation and economic development through the use of unemployment insurance funds. This money has supported the participation of 80,826 Canadians in a wide variety of programs, 32,908 of them in jobs. To break these figures down by provinces, the \$54.9 million which went for training and direct job creation has created 10,749 jobs and supported 12,234 participants in training courses in Newfoundland. Over-all, the number of participants in training and job creation jobs is 25,043. The total number of participants in job-creation programs is higher than the total number of jobs because more than one person may hold that job before the project is completed.

In Nova Scotia, the comparable figures are \$48.6 million for training and direct job creation, 6,997 jobs, 16,832 participants in training programs, and an over-all total of 24,887 in training and job-creation programs.

For New Brunswick, the totals are \$46.3 million for training and job creation, 8,391 jobs, 15,576 participants in training,

and an over-all total of 25,335 participants in training and job-creation programs.

Prince Edward Island has received \$12.4 million which produced 2,016 jobs, 3,276 participants in training and an over-all total of 5,561 participants in training and job-creation programs.

Each province shares \$25.2 million for the developmental use of unemployment insurance funds; \$7.3 million for Newfoundland, \$8.2 million for Nova Scotia, \$7.6 million for New Brunswick and \$2.1 million for Prince Edward Island.

Individual job-creation programs and their effectiveness in creating jobs are: the local employment assistance program (LEAP) which has created 256 jobs in Newfoundland in the fiscal year, 169 in Nova Scotia, 247 in New Brunswick and 222 in Prince Edward Island.

I might add that in my riding there are a number of LEAP projects which have been very beneficial to the area and the people involved in them.

Summer Canada, Canada employment centres for students and native internship have created 1,924 jobs in Newfoundland, 2,052 in Nova Scotia, 1,988 in New Brunswick and 334 in Prince Edward Island. Round one of Canada community development projects, including the special response feature, created 4,070 jobs in Newfoundland, 1,808 in Nova Scotia, 2,434 in New Brunswick and 579 in Prince Edward Island.

I might add that this project was put together in Newfoundland very quickly to meet the declining fish-processing industry and the inshore fishery of Newfoundland. I am sure all the people of Newfoundland welcome this program and project and will show their appreciation in the years to come.

Round two of Canada community development projects, which have just begun, has to date produced 3,676 jobs in Newfoundland, 1,823 in Nova Scotia, 2,322 in New Brunswick and 617 in Prince Edward Island.

Canada community services projects, which furthers the objectives of non-profit organizations operating under severe financial restraints, has created jobs for unemployed native people, youth, women and disabled persons; 92 in Newfoundland, 80 in Nova Scotia, 80 in New Brunswick and 37 in Prince Edward Island.

The direct job-creation element of the industry and labour adjustment program (ILAP) has created 114 jobs in Nova Scotia, and as the number of designated communities for this \$350 million initiative of the federal government increases, its effect will be felt in the other Atlantic provinces.

The new technology employment program designed to create jobs for highly educated graduates in scientific and technical fields who are unable to find employment in their disciplines, has placed 28 in Newfoundland, 38 in Nova Scotia, 16 in New Brunswick and 9 in Prince Edward Island.

The local economic assistance program is operating in four Atlantic communities, and while it will be some time before the full effect of this pilot program may be known, it has



already created 16 jobs in Newfoundland, 14 in Nova Scotia, 18 in New Brunswick and 14 in Prince Edward Island.

I thank the minister and his department for designating my area as the area in Prince Edward Island for a LEDA project. I have talked with the people involved in setting up and administering the program. They seem to be quite confident and are enthusiastic about its future. We look forward to greater things in the years ahead through programs such as these.

The program for the employment disadvantaged, which is an employment incentives program rather than direct job creation, has placed 515 physically and mentally handicapped and other seriously employment disadvantaged in continuing private sector jobs; 240 people have been placed in Newfoundland, 135 in Nova Scotia, 110 in New Brunswick and 30 in Prince Edward Island. All members will agree that anything we can do for our disadvantaged and handicapped should be supported wholeheartedly.

In the fiscal year, the employment tax credit program placed 447 in subsidized jobs in Newfoundland, 764 in Nova Scotia, 1,176 in New Brunswick and 174 in Prince Edward Island. Although this program was terminated March 31, 1981, contracts with employers were signed right up to the last minute and the jobs can last for up to 52 weeks, many of them continuing beyond the period of subsidy.

● (2140)

The total sum for training program participants by provinces are as follows: Newfoundland, regular institutional training, 8,216; industrial training, 3,988; critical trade skills, 30. Included in these totals are 19 native Canadians in institutional training and two in industrial training. A total of 86 women receiving training in non-traditional occupations, and this is also included.

Nova Scotia, regular institutional training, 11,695; industrial, 4,957; critical trade skills, 180. There are 76 native Canadians in institutional training and 26 in industrial. Training in a non-traditional occupations was provided to 53 women.

New Brunswick totals show 9,474 in regular institutional training, 6,012 in industrial training and 90 in critical trade skills. There are four native Canadians in industrial training and 112 women in training for non-traditional occupations.

Prince Edward Island has a total of 2,069 in institutional training, 1,177 in industrial training and 30 in critical trade skills. Three native Canadians were placed in industrial training and 44 women took part in training for non-traditional occupations.

In all instances, institutional training data reflects full-time trainees. The government recognizes the necessity for rendering all possible aid to the Atlantic provinces in job creation, training and economic development. The figures quoted for the fiscal year 1981-82 are comparable to expenditures for previous years and undoubtedly will be compatible for those of future years.

### Employment

This evening I have listened to the speeches by members of the opposition. I found that many of their comments were rather pessimistic, to say the least. I believe that our government has made a good start toward job creation programs. Not only are we in difficult economic times in this country, but in all the western world. I think all members should recognize this fact.

Almost daily, during question period and in debates such as this, we hear innuendoes from those members opposite about how disastrous things are. We do not hear many proposals for answers to the problems they seem to identify.

**An hon. Member:** You do not listen.

**Mr. McDermid:** You do not hear, either.

**Mr. Henderson:** We do not hear many solutions. The hon. member for Central Nova (Mr. MacKay) in his speech mentioned the number of Canadian executive offices being staffed with foreigners. Well, those boys over there had nine months—it took them five to call the House into session—and did nothing about that.

**Mr. McDermid:** We got rid of Mackasey, though.

**Mr. Henderson:** The first thing the Conservatives did when they got into my area—the people have never forgotten them and never will—was to freeze everything that moved. That seemed to be their motto: freeze it if it moves, and if it does not move, pension it.

They had plenty of time when they formed the government to take action on some of the things they are mentioning now. Fortunately for the Canadian people, they were turfed out of office.

There is no question that we are in difficult times, but I think that Canadians are satisfied that they would sooner have the group which is here now than the group they got rid of on February 18, 1980.

**An hon. Member:** That's not what the polls say.

**Mr. John McDermid (Brampton-Georgetown):** Mr. Speaker, it is a pleasure for me to wind up the debate on the consideration of the motion introduced by my hon. friend from Rosedale (Mr. Crombie) and seconded by my hon. friend from Yukon (Mr. Nielsen). I think that it is worthwhile to remind the House of that motion. It reads:

That this House condemns the government for its deliberate failure to create job opportunities for Canadians.

I have been sitting here all day listening to the debate and I think I can sum up what the government has said in three points. First, the Minister of Employment and Immigration (Mr. Axworthy) said, "I am right. I am doing the proper thing, trust me. Support me, we will get the job done." That was the first point made by the government. Second, the point which came through loud and clear from those on the government side was, "It is not our fault. It is the other guy's fault, the provinces' fault, the municipalities' fault. It is the United

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States' fault. It is Europe's fault. It is somebody else's fault, but not ours. Please do not blame us. We are struggling along but we have to do what is dictated to us by somebody else", that is to say, whoever that somebody might be. The third point which came across loud and clear was, "If we were not here, it would be a lot worse." That is probably the most unbelievable explanation the government has tried to give all day.

We should review some of the statements made by some hon. members. The Minister of Communications (Mr. Fox) stated that he deplors the complete inaction of the government with respect to the creation of jobs. He regrets the cutbacks in Canadian work programs which eliminated hundreds of communities across Canada which have been suffering from high levels of unemployment, and condemns the government for its failure to date to bring forward a comprehensive employment strategy for the coming year. That statement was made after we were in the House for about four weeks.

This particular government has been in power for two years now. We have not seen an employment strategy. As a matter of fact, we have not seen any strategy. Earlier today we listened to the Minister of Employment and Immigration and to the Minister of Industry, Trade and Commerce (Mr. Gray), or whatever he may have been demoted to now—I am not sure what he is. That may have been part of his resignation program which he promised if interest rates rose. This may be a way of easing him out. We have heard members on the back benches tell us today how much money they take out of their pockets to throw around. They spend \$15 million here, \$20 million there.

The hon. member for Louis-Hébert (Mr. Dawson) spent 15 of his 20 minutes reading off a list of industries that the government helped in Quebec. If we asked him for a list for Ontario, it would take him approximately 30 seconds to read it. It is not there.

I can tell you, Mr. Speaker, that if the government gave me a bank guarantee of \$5 million, I could create 200 high technology jobs in my community tomorrow. Would the government listen? No. It is going to give a small business development bail-out bond to help people in dire straits. But it will not give a hand to production in Ontario. That is where the government should be looking to create jobs. Certainly there should be help for those in financial trouble, but those who are productive now and have high technology operations going should also be receiving money. They are ready to proceed with viable programs and the government does not see fit to help them.

• (2150)

There was another statement, this time by the hon. member for Longueuil (Mr. Olivier), who, I believe, is still Quebec caucus chairman. He said: "In an affluent society such as this, suggestions that a 7 per cent or 8 per cent unemployment rate is acceptable are simply shameful". He is absolutely right, but where is he? Where is that great defender now that we have an

unemployment rate of 7 per cent or 8 per cent? We have not heard from him since he got back into office. We have not heard a word from him.

Then we hear about the creation of many jobs. Hon. members opposite can tell the unemployed of this country about those creative jobs. I can tell hon. members about those 100,000 creative jobs about which the minister brags. How long do those jobs last? They last eight months or ten months, and then the people are out. Then the minister brings in another batch, spreads a few more dollars around and perhaps pleases a few more people. In my constituency of 168,000 people, eight jobs were provided for 40 weeks, and that is all. I will give hon. members statistics respecting how many in my community are collecting unemployment insurance right now. The number was 8,724 as of January 31. In January, 1981, there were 5,500. There has been an increase of over 3,000. That is what is going on, and these programs are nothing but a facade to try to fool the people into thinking the government is doing something. The minister knows this. Members of his own staff say the same thing. They say they are slowly working out of these programs and getting into more meaningful ones. I say it is about time. God bless the minister if that is what he is doing, but I have not seen any signs of it yet.

Hon. members opposite always like to stand up and talk about the programs the Tories cancelled, but they never talk about the programs we brought in to take their place. Those were programs which created meaningful, full-time jobs and not jobs which lasted ten months, eight months or six months. We created permanent jobs which gave individuals opportunities to develop careers for themselves. We created jobs in the volunteer sector, which needed help very desperately. There were all kinds of programs. We would have created twice the number of jobs in the private sector with the same amount of money, with some help, as the number the minister brags about being created in the public sector.

That is the story of this government. Every government member likes to stand up and say, "This is what has been dealt out in my riding", but how many of those jobs are permanent? How many of those jobs the government creates in those ridings will be there ten months from now? There will be very, very few.

I can say to the minister that some of the permanent jobs created for the handicapped are welcome. I think such programs are good and are working to a limited extent. I congratulate the minister for that, but he should not hand us all this malarkey about all the other jobs he is creating, because the statistics he is using are phony, and he knows it. The people are not buying them anymore.

As of December, the unemployment rate in Ontario was 7 per cent, up half a percentage point from November, and rising. Lay-offs and closures have put 21,565 people out of work permanently. Those statistics relate only to firms with 50 or more employees. They do not relate to employers with fewer than 50 employees. Those statistics are not gathered unless they are volunteered. They reflect a sad state of affairs. The highest concentration of lay-offs has been in the transportation

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industry and in industries which produce equipment involved in transportation such as aircraft and auto parts. Fifty-seven establishments have been affected, and 8,846 employees have been laid off. There have been complete closures. The doors have just been locked. Employees have been told, "Forget it; that's it". That has affected 569 employees. That is a very sad, sad commentary on the economy today.

I hear the hon. member for Scarborough Centre (Mr. Kelly) at it again, Mr. Speaker. How many individuals has his brother's firm laid off? The hon. member should not say "none" because I know otherwise. The hon. member sits there and thinks this is a great joke, but it is not. It is a very serious situation.

**Mr. Kelly:** For a person who heckles a lot, you are pretty thin skinned.

**Mr. McDermid:** I can hand it out, and I can take it.

**Mr. Kelly:** I doubt the latter part of your statement.

**Mr. McDermid:** There are a couple of things of great concern to me which I want to bring to the attention of the minister in the very few minutes I have left. He has talked about a new training program for the money he spends on manpower training.

**An hon. Member:** He is always talking.

**Mr. McDermid:** That is right, but I welcome this initiative because he has followed many of the recommendations in the report of the parliamentary task force on employment opportunities for the eighties, with one significant exception. As usual, like a banty rooster the minister stood and announced the great programs he plans to introduce and threatened the provinces, just as hon. members opposite threaten everyone else. They are always threatening the provinces with something. If the provinces do not agree with their programs, they will get them anyway, and tough luck! That is what the minister said. In chapter 12 of the report of the parliamentary task force on employment opportunities for the eighties entitled "Federal-provincial relations" I remind the minister that one of the most important recommendations contained in this report was that there must be better co-operation and co-ordination with provincial programs. The report said that to this end there should be a national council of employment and training ministers with a secretariat; that the national council should develop a national employment and training plan to be implemented at both the federal and provincial levels and that, where possible, the national council of ministers should work to avoid unnecessary duplication between the federal and provincial levels of jurisdiction. But what happens? The minister says, "Here it is, boys; take it. If you don't like it, tough; it is coming in anyway". That is not the Canadian way. Perhaps it is the way the minister likes to operate, but I do not think he will get anywhere with that.

**Mr. Scott (Hamilton-Wentworth):** That is the way his leader operates.

**Mr. McDermid:** My colleague says that is the way his leader operates. Perhaps it is rubbing off on him a little bit. The provincial manpower ministers with whom I spoke—and I spoke with most of them—and the ministers of education with whom I spoke certainly are prepared to co-operate. They are prepared to co-operate; they are not prepared to be dictated to. This is probably one of the most important things to come down the pipe in a very long time. It can mean the future of Canada. There are over one million unemployed, people are screaming for skilled labour and the provincial ministers want that, but they want the method to be proper. They do not want to be dictated to from on high. They want a blended proposal, and I beg the minister to co-operate with the provinces. I ask him not to dictate and wield a big club.

I will close by asking the government to listen to the people who sent it here. I ask hon. members opposite to listen to what is being said. Not once today in this debate have I heard hon. members opposite talk about what they are hearing back in their constituencies. All I have heard from them is that the Minister of Finance (Mr. MacEachen) is right, the Prime Minister (Mr. Trudeau) is right and the Minister of Employment and Immigration is right. Hon. members opposite seem to be saying, "To heck with what the people say, because they are all wrong". That will be the downfall of this government. We are prepared to form a new one right now.

**Some hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Blaker):** Order, please. It being ten o'clock, pursuant to Standing Order 58(11) proceedings on the motion have expired.

● (2200)

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

EXTERNAL AFFAIRS—McDOUGALL REPORT—QUERY  
RESPECTING DEPARTMENTAL REORGANIZATION. B) ROLE OF  
MINISTER

**Mr. Donald W. Munro (Esquimalt-Saanich):** Mr. Speaker, my question of February 2 to the Secretary of State for External Affairs (Mr. MacGuigan), which can be found at page 14555 of *Hansard* for that date, to which I received an unsatisfactory answer about the reorganization of his department, was set against a background of a decade and more of rapid and often purposeless organizational and functional change within that department. I was thinking, for example, of the re-drawing of the lines of reporting responsibility and the consequent redesignation of all positions in the Department of External Affairs to conform, presumably, with an organiza-

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tional chart that must have been found in a Harvard business school text. The changes were of such moment as changing individuals from divisional heads to directors general. But, in addition, the conventional line arrangements were superimposed upon the geographic line arrangements.

I was thinking also of the imposition, for example, of collective bargaining under the program "budgeting", which has since been replaced by some other kind of budgeting, and the imposition of bilingualism on a department which, I venture to guess, was more bilingual than any other department of government as far back as the 1950s and 1960s, as well as of the requirement to absorb first the foreign support staff and then the entire body of personnel serving abroad, except CIDA officers who staunchly refused, for as long as I was in the department, to report through the ambassador; and finally, only a year ago, the move to consolidate the foreign service—whatever that means—a move which was followed immediately by the establishment of a Royal commission to inquire into the conditions of the foreign service. That is an admission, I suggest, of there being something wrong with the conditions in that foreign service.

Each of these re-moldings or investigations of external affairs was imposed from above with the minimum of consultation with those immediately affected, and each was imposed, which was perhaps worse, before the preceding one had had a chance to be properly absorbed and put through its paces.

These successive and overlapping waves of organizational and functional change took their toll on the morale of serving officers and staff. They were traumatic years; few will forget them, and all, I suppose, because the Prime Minister (Mr. Trudeau) has never really had any use for the foreign service, as he admitted as far back as 1959.

Now we hear of even further changes. On January 12 of this year the Prime Minister announced the creation of what he called a "triumvirate" of equal as ministers for the department. I describe them as a tricephalous monster; an outrageous creature with three heads.

From his comments to the press the Prime Minister on that day provided little indication of how to determine who is to wear what hat, at least as between two of the heads, or which amongst the equals is to be the most equal or more equal than the others. We do not even know whether they are ministers or ministers of state. We have both versions in *Hansard*, one on January 27 and the second on February 3. Even the organizational chart accompanying the press release of January 12 now seems to have used improper designations.

Not only are designations in doubt, Mr. Speaker, so also are duties. The Secretary of State for External Affairs, the press was told, "will be . . . responsible for Canada's external relations". That appears at pages 2 and 3 of the press conference transcript. We find on page 3 that the same responsibility is laid upon the new minister or minister of state, whichever it may be, for external affairs. Furthermore, the new minister or minister of state has been assigned a task by the Prime Minister, at page 11 of the transcript, for "the development of a strategy of our relations with foreign countries and the role

of Canada in francophonie, in Africa in particular, and so on". Where does that leave the Secretary of State for External Affairs? What is he supposed to be doing? If you think you are confused, Mr. Speaker, when trying to distinguish between ministers, ministers of state and secretaries of state, I leave you to imagine the state of confusion which must affect those three hon. gentlemen themselves. What about officials in the Department of External Affairs; to whom do they report and on what?

• (2205)

In addition to all these changes, we find that the Department of External Affairs has been endowed with a second tricephalous monster, a second triumvirate of deputy ministers and assistant deputy ministers. Not one of them has had any experience whatever in the diplomatic service of Canada overseas. I suggest that in these circumstances it is small wonder the Department of External Affairs is in a state of utter confusion, not knowing where it is going, to whom it is reporting, or whether it is really wanted at all.

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Regional Economic Expansion):** Mr. Speaker, I believe the hon. member for Esquimalt-Saanich (Mr. Munro) has a deep and sincere interest in Canada's foreign service. Therefore, I understand his interest in the McDougall report and in the recent reorganization of the government, particularly as it affects the foreign service.

The hon. member knows that the McDougall Royal Commission was established by the Prime Minister (Mr. Trudeau) as head of the government. As such, the eventual disposition of the report lies in his hands and to the present time he has not taken any final action in this respect, nor has he yet delegated to any minister responsibility for follow-up on Miss McDougall's report. I assure the hon. member that the Secretary of State for External Affairs (Mr. MacGuigan) is very interested in the report and that the report is being analyzed and studied with a positive spirit. The government and the Secretary of State for External Affairs is determined that the report and its recommendations will be given the earliest possible and closest attention.

I should like to remind the hon. member that Canada has a very fine foreign service where generally morale is high and efficiency is good, considering that many members of the foreign service are called upon to serve in very difficult circumstances. The hon. member may remember that Miss McDougall herself said both in the report and in her press conference that the over-all morale in the department was high and efficiency was very great.

Turning to the question of the reorganization of the government, I assure the hon. member that reorganization is intended to improve the efficiency of government in dealing with economic problems which face Canadians. It has, as one of its consequences, increased the relevance of the Department of External Affairs by making it, in its new broad sense, an economic department as well as a political one. This change

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means that the department will be able to represent a wider range of Canadian interests abroad.

I do not believe there can be much doubt about the reorganizational structure and function of the Department of External Affairs. It is comprised of a Minister of State for External Relations (Mr. De Bané), whose primary concerns are in the area of the francophone, cultural and humanitarian affairs and other responsibilities he will be asked to take on by the Secretary of State for External Affairs; the Minister of State for International Trade (Mr. Lumley) whose primary concerns are in the area of trade relations and trade promotion; and the Secretary of State for External Affairs who is responsible for the entire range of Canadian foreign relations abroad and who embraces the entire department.

**INDUSTRY—EFFECT OF HIGH INTEREST RATES. B) CANADIAN ADMIRAL CORPORATION IN RECEIVERSHIP. C) IMPORTATION OF FOREIGN MANUFACTURED APPLIANCES**

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, approximately three months ago on November 6 I asked the Minister of Industry, Trade and Commerce (Mr. Gray)—I do not know what he now calls himself; he is certainly a gasbag minister in the House—about problems in connection with the Canadian Admiral Corporation which earlier in that week was placed into receivership. The company's basic reason for going into receivership was the inordinately high interest policy of the government, and this minister said on television in the 1980 election that if interest rates went up he would resign. Of course they went up and, of course, he stayed on. There is not a thing this minister says that has any sense of credibility at all.

• (2210)

For example, in answer to my particular series of questions to the minister he said with respect to the Admiral Corporation that they had been in touch with various companies which are developing proposals that could well lead to the resumption of operations of Canadian Admiral. That was three months ago. The minister gassed along, but he did nothing. This is a do nothing minister who really owes an apology to the people of Canada for ineptness.

Canadian Admiral is probably the most efficient producer of refrigerators in this country. Indeed, its share of the home refrigeration market was increasing dramatically. However, it had difficulty because of high interest rates. Because of the interest rate policy of the government, home purchases declined dramatically. People could not afford to finance the purchase of new appliances. The government refused to do anything about foreign import competition, particularly in the microwave line, which the company was producing, the television line, which the company once produced, or in the washer and dryer line.

The company could not make it for two reasons: First, because of interest rates, and second, because of foreign competition. Regarding foreign competition, I asked the minister what he was going to do. I asked him if he believed it was

proper to fight inflation on the backs of Canadians out in the street walking and collecting UIC. The minister said he would not do anything. He said if there was dumping of appliances by the Japanese, the Taiwanese and so on, he did not care. He would not do anything unless somebody applied to the anti-dumping tribunal, and then maybe the Minister of National Revenue (Mr. Rompkey) would do something about it. He was not going to be, like the Minister of Industry, Trade and Commerce (Mr. Gray), there to protect Canadian jobs. He was there to gas on behalf of the government. He said he was there to be in touch with various companies that are developing proposals.

Three months have passed and 2400 productive people, people who were doing solid industrial work in Canada producing a very good product, have been put out on the streets with a couple of hours notice of layoff. They received no separation pay and no termination pay. Some of them worked for as many as 27 years for the company learning the skills and doing the things that have made Canada a nation that can produce first-class appliances.

What is the minister's attitude? Well, he gasses on and gasses on. He does not give an answer. The previous questioner, my colleague, the hon. member for Simcoe North (Mr. Lewis), was given the answer that it was the minister's hope that the budget would add thrust to job creation. This minister stands indicted as a minister of trade and commerce who has lost more jobs in Canada on a permanent basis than any other minister in our history since the beginning of great depression.

• (2215)

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Regional Economic Expansion):** In relation to the hon. member's comments on November 6 regarding the dumping of microwave ovens, an anti-dumping investigation was started in April 1981 and a decision to proceed to an anti-dumping tribunal hearing was recently made by the Department of National Revenue.

As far as a receiver operating a mass rapid disposal of the assets of Admiral, let me advise this House that the banks' agent has assured ITC officials that he is endeavouring to sell the inventory in a manner as close to normal as possible. However, because warranty cannot be assured, the sales conditions are being renegotiated. No fire sale disposal of inventory has occurred as yet.

In the long run, attempts to save the company have to recognize that the Canadian appliance industry has to become more internationally competitive because of the scheduled decline in tariffs starting in 1983—the present 20 per cent tariff is scheduled to decline to 12.5 per cent by 1987—and the increasing automation occurring in Japan and the United States. Bearing that in mind, Mr. Speaker, a takeover by another Canadian appliance company would appear to be the best solution since this would lead to an increased production scale that would justify investment in more efficient capital equipment. I am aware that Inglis has been negotiating with the receivers of Admiral since November 1981. Officials in my

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department have monitored the progress of these negotiations. I am concerned that as many of the former Admiral employees as possible be re-employed and certainly the Inglis interest could be one of the quickest solutions to this problem.

Every reasonable effort is being made to avoid liquidation of the company which would result in a total loss of employment, and the dumping of \$50 million worth of inventory on the appliance market at fire sale prices. This would be highly disruptive for the rest of the appliance industry. Government action has to be taken into account in relation to its impact on the rest of the appliance industry which is also in trouble at the moment and experiencing large lay-offs.

On January 28 the Minister of Industry, Trade and Commerce (Mr. Gray) announced a \$15 million aid program for the major appliance and parts industry under the industry specific restructuring program, part of the industrial and labour adjustment program. We are exploring ways of using this program to assist this particular situation as well as, more generally, to assist major appliance companies to restructure as necessary and ensure the ongoing viability and strength of the industry.

The Acting Speaker (Mr. Blaker): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 10.19 p.m. the House adjourned, without question put, pursuant to Standing Order.

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