



Minister
Employment and Immigration

Ministre
Emploi et Immigration

For Release

Pour publication

Date
Subject

Date
Sujet

"JOB CREATION IN THE 80s"

BY THE

HONOURABLE RON ATKEY

MINISTER OF EMPLOYMENT AND IMMIGRATION CANADA

TO THE CANADIAN CLUB

TORONTO, NOVEMBER 26, 1979, 12:00 NOON

Check against delivery

leadership in bringing forth initiatives that will encourage the creation of literally hundreds of thousands of new and permanent jobs. Secondly, we must act so as to encourage the private sector of the Canadian economy to play its full role in developing new employment opportunities for Canadians, whether they are men or women, young or old, English or French-speaking and whatever their cultural or ethnic background. And we must do this in the full realization of the changes that are and have been taking place. To give one example, whereas just 10 years ago, two fifths of Canadians were in the labour force, by the end of the 1980s, we face the prospect of almost half of our population being involved in the labour market. One reason for the expected growth in the labour force is the constantly increasing participation of women, which is not in any way a temporary phenomenon. The other major element is commonly called the baby boom generation or the "boomies" a new name coined in a recent article in Saturday Night. This generation is now beginning to move into the mainstream of adult workers.

Canada's work force is young and one of the most highly educated in the world. Half of working age young people have had access to higher education, and yet many thousands of them are unemployed. In one sense the problem is temporary, because in a few year's time the bulge will have flattened out. But right now, the problem is immediate, and we have to act on that basis.

to be placed in jobs by the end of March 19~~80~~⁸¹. Whether we reach that ceiling depends on the leaders of business and industry to whom we will be appealing to join us in an all-out effort to create new jobs for young Canadians.

The National Youth Service Corps will be involved in long-term projects of vital community service, working with the voluntary sector. I anticipate that more than 14,000 young people will find work through the Corps rendering a service to their country, their province or their communities rather than having to depend on UI benefits or welfare. A revitalized training program, especially for youth, will be focussed on new skills demanded by industry.

But as I have indicated, this government will be depending essentially on the private sector to create the jobs young people need. The tax credit incentives to which I have alluded are the means we intend to use. As business people you might be inclined to ask -- Why not cash instead of tax credits? Cash, after all has always been a pretty fair builder of incentives.

If I may digress for a moment - AES Data is a remarkable example of a Canadian business success, and one that reinforces our determination to get money into the hands of the private sector to create jobs. AES started in business in 1974 with 25 people and the assets of a bankrupt electronics firm. The federal government helped the fledgling company at a critical point in its history with adjustment assistance loans and grants for industrial technology advancement. Today the firm has 1,500 employees, five plants and sales of 100 million dollars in 26 countries...in five years, a Canadian multi-national.

This government is creating a framework for the private sector to bring about economic growth. However it is precisely that--a framework. Government creates the climate and minimizes the uncertainty with forward looking programs and incentives. But it is the private sector which makes the ultimate decisions on investment and employment.

We have reached the stage where, for the private sector, "developing Canada should be a responsibility as well as a business"--to paraphrase a well-known TV commercial.

In actual figures, 80 completed projects have restored 1,150 Canadians to the work force. There are 324 projects operating now with another 4,035 of those so-called "unemployables," most of whom are likely to become productive members of the labour force.

A recent cost-benefit study of LEAP indicated that for every dollar invested, Canada got back more than two.

It goes without saying that LEAP should be and is, being expanded. In the future it will be a major element in my Department's programs for Native Canadians. The needs of native communities and the capabilities of LEAP's funding structure are well matched. Stop and go job creation programs have not been the answer to native unemployment problems. LEAP gives long-term help and meaningful skill development.

I mentioned earlier Canada's expanding economy and a future in which industry will require new skills, - especially for youth. I recently introduced a bill in the House of Commons designed to make federal training programs more responsive to the needs of the labour market.

The amendments also include a provision that enables the Commission to enter into training contracts with employers on the basis of negotiated, composite payment rates. This permits a reduction in the administrative workload and better planning. This method is a significant improvement for employers, eliminating much of the burdensome paper work of the past.

We have also concluded that Canada must give high priority to the training of its own workers in highly skilled occupations. A Critical Trade Skills Training initiative has been designed to encourage employers to recruit and train Canadians to fill the vacancies for which many employers have in the past searched for talent in foreign fields.

The federal government will make financial support available to employers willing to train Canadians for a maximum of two years - or half the training time, whichever is less. Consultations are continuing now with the provinces, labour and management.

As with all programs, this one depends for success on the willingness of employers, with the support of union leaders, to establish a training capability and select workers for training.

Women, after all, account for 30 per cent of the labour force. We are painfully aware that they form about 47 per cent of the unemployed. Providing employment for them is only a partial solution to their problems. Job segregation, low wages, limited mobility and patterns of work and family responsibilities must, and will be addressed in the policies we are establishing.

One of the advantages of being Minister of both Employment and of Immigration is that I am in a position to assist the private sector in finding skilled labour abroad when there is absolutely no other way to fill an immediate need.

We are taking steps to ensure a proper balance between immigrants selected against labour market criteria and those who are not. The principle of family reunification will continue to govern the admission of close family members but it is equally important to increase the proportion of those immigrants who are selected against economic criteria. Immigrants thus selected do not displace Canadian workers but are deliberately chosen to provide needed skills.

This is not, and cannot be, a matter of blind ideology. Rather, it involves a certain faith and commitment. Faith in the essential rightness of our pluralistic and private enterprise system and a commitment on the part of government to encourage rather than to stifle the creativity of Canadians.

I fully realize that, after years in which the prevailing climate was one of mutual suspicion and mistrust, it may take some time for a new climate to prevail. But that must be our common goal. I can assure you it is mine right now.

In discussing a vast topic such as this, there is of course a great deal to be said. But whatever other points I may have made, I hope above all that I have managed to convey to you my own conviction, and the conviction of the new government, that, while it is our job to initiate policies to encourage the private sector to create new jobs, in the final analysis it is up to the entrepreneurs, to the businessmen of this country to generate the kind of economic activity that will ensure our long-term prosperity as a nation. We are embarking on a cooperative venture, in which the government is playing a supportive role to the private sector in the full realization that it is not our function to replace individual judgment and individual risk-taking. Rather, it is to help create a climate in which Canadians are willing to take their own risks to help move our economy ahead to its real potential -- a potential that will help all Canadians both to contribute productively to their country, and to enjoy the fruits of their contribution.