

# Newfoundland unemployment: the human reality

by the Newfoundland Research Collective

*This is the first in a series for Atlantic Issues dealing with unemployment in Newfoundland. The analysis of this problem applies to the Atlantic provinces as a whole, since the impact of Federal Government policies in the Atlantic Region along with the control which large corporations and financial institutions exercise are essentially the same in the Maritime provinces as in Newfoundland.*

*This initial article outlines the size and nature of the unemployment problem, while in the future there will be a more detailed look at specific cases such as the Alcan mine in St. Lawrence, the Come-By-Chance oil refinery and the Labrador Linerboard Mill in Stephenville.*

The "official" unemployment rate of 15.8% in Newfoundland, as reported by Statistics Canada, is an inaccurate picture of the problem of unemployment. Common personal experience indicates that at least every third person in the province is out of work. By its "official" statistics, the Federal Government would have us believe that 31,000 Newfoundlanders are without work. There are, however, some 60,000 people in the province who are drawing unemployment insurance benefits along with the

## There is but one job vacancy for every one hundred unemployed Newfoundlanders.

5,000 individuals and families who receive able-bodied relief from the Provincial Government.

The apparent conclusion to be drawn from these figures is that up to half the people on U.I.C. are somehow receiving taxpayers' money without really being unemployed. But before any of us begin a campaign to eliminate "U.I.C. cheaters" it might be wise to first take a glimpse at the way in which the Government defines being without a job. The Government, of course, has the power to make its own definitions and issue its own statistics for anything under its jurisdiction. The nature of official statistics, therefore, reflects the interests and purposes of government, including the need to maintain political credibility.

Officially, an unemployed person is one who either has been actively searching for work during the past four weeks or has been on lay-off for less than six months. Consequently, thousands of Newfoundlanders living in areas of chronically high unemployment, such as Bay D'Espoir and large sections of the Northeast Coast, no longer fit this category. There is no work where they live, and they are classified as "not being in the labour force". The continual transfer of Newfoundlanders out of the labour force, combined with other factors, has resulted in Newfoundland having the lowest participation rate in the labour force in Canada: 47% of its

adult population as opposed to a national average of 70%. This means that more than half of the potential labour force in Newfoundland is without work.

In order to get a true picture of unemployment in Newfoundland it would be necessary from the outset to include everybody receiving U.I.C. benefits and able-bodied relief. This would amount to upwards of 65,000 people. Then there are the uncountable numbers of men and women laid off more than a year ago whose U.I.C. benefits have lapsed and who are not receiving able-bodied relief because their spouses are working. In addition, there are many women who would participate in the labour force if the jobs and facilities such as daycare were available. Finally, all those young people who are "forced" back into the educational system because they realize that job opportunities are virtually non-existent and who are able to "stave off" unemployment in this way should be included.

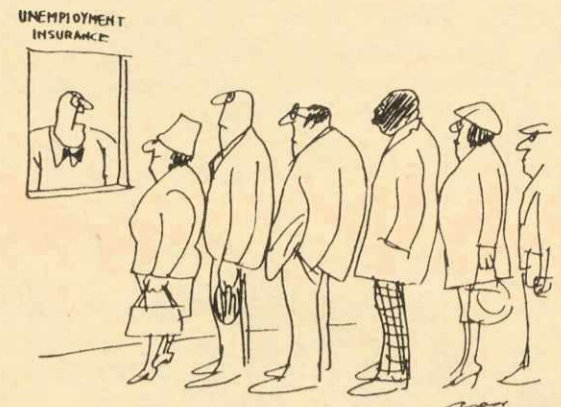
### The Human Factor

The official unemployment statistics (however useful for economic planning or other purposes) are incapable of conveying the frustration, boredom and depression which comes with being unemployed for extended periods of time. Yet neglect of the human factor is an inherent aspect of our economic system, in which the driving forces are profit maximization and economic growth. So, despite the tragically high numbers of unemployed, the Governor of the Bank of Canada could state that 1976 was a good year for the Canadian economy because of a growth rate of 5 per cent. Recently Premier Frank Moores described the Newfoundland economy as "buoyant" because there was an increase in the Gross Provincial Product. How much more of this prosperity can we endure!

Being unable to find a job in our society, where a person's degree of well-being is so heavily dependent on income, is a disaster, destructive of body and soul. After all, it is through their work that most people establish self-esteem and a feeling of success.

For young people unemployment is especially disastrous; it means starting their working lives "on the dole". Many of them are forced to move to Ontario and Alberta in search of work. Indeed, if single people cannot find work in Newfoundland and fail to qualify for Unemployment Benefits, the attitude of the Provincial Department of Social Services will give them that extra motivation to move to the mainland that they need.

Maximum assistance to a single able-bodied person is \$92 per month, and many young people are openly discouraged from applying for this pittance. The Deputy Minister of Social Services has been reported as suggesting that he thought it unfair for single able-bodied individuals to have their idleness reinforced through welfare payments, especially when opportunities exist elsewhere. After all, he added, "... they're foot loose and fancy free with neither chick, nor child for whom they're



responsible".

For many other Newfoundlanders - married, with a variety of valuable work and social skills and attributes - lack of employment opportunity also means job-hunting on the mainland. Not only is this an emotional and financial strain on family life, but it constitutes a severe loss to the province's skilled work force.

For example, of the 525 members of the Iron Workers Union, almost 225, or more than 50%, have left the province for work in other parts of Canada over the last 18 months. A similar situation exists with electricians in the province: out of 953 members of the International Brotherhood of Electrical Workers, only 65% have jobs and many of those are on the mainland, with 184 of them being in Fort McMurray, Alberta. Newfoundland, as well as the other Atlantic provinces, is continuing the age-old tradition of supplying skilled and unskilled migratory labour to the industrial core of the country. With more and more Newfoundlanders leaving the province to work in Ontario and Alberta, the economic prospects for Newfoundland are something less than promising.

### Myths

Despite the hardships endured by many unemployed people and their families, government does nothing to discourage the usual myths about unemployment. For those who insist that there are jobs available if people look hard enough, blunt reality demonstrates that there is but one job vacancy for every one-hundred unemployed Newfoundlanders.

There is, as well, always the old stand-by

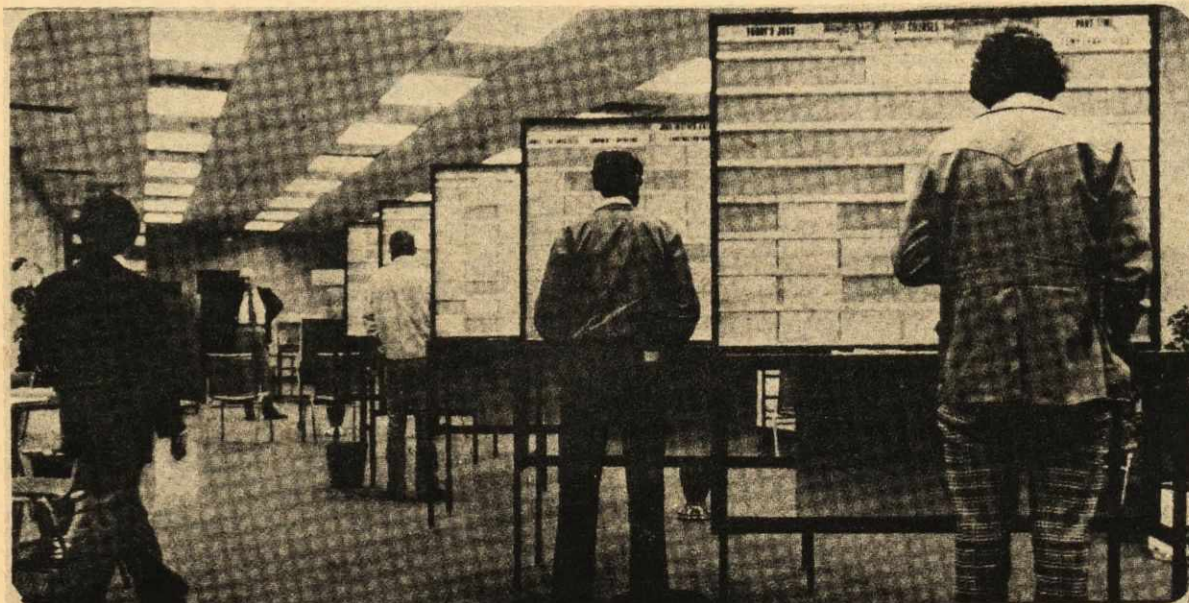
## ... government does nothing to discourage the usual myths about unemployment.

accusation that the unemployed are lazy. With thousands of people "on relief" in Newfoundland during the late 1930's, the St. John's newspapers were full of articles berating the indolence and depravity of the unemployed at that time. Nevertheless, within six months after World War II had begun, there were no cases of able-bodied relief in Newfoundland; the poor and unemployed were willing to work in the construction of naval and air force bases in the province.

More recently the Kroll Senate Report (1971) concluded that less than 2% of all people receiving unemployment benefits or welfare do not want to work. Yet Newfoundland's Minister of Social Services, Charlie Brett, has stated that some of the single able-bodied persons who apply for social assistance should have their "posteriors kicked", and "... if they had any guts or gumption, they wouldn't come to the welfare office".

Just as the response of the Provincial Government has been to remove people from the welfare rolls, so too the federal government's reaction to high unemployment has been to emphasize the abuses of the U.I.C. system and

continued on page 7



Looking for a job—a full-time occupation in Newfoundland.