

The chartered banks are profit-seeking institutions that allow their customers to transfer deposits from one bank to another by means of cheques. They create and destroy money as a by-product of their operations—by making or liquidating loans and various other kinds of investments.

[Translation]

Mr. Speaker, at page 627, one can read the following:

[English]

When the Bank of Canada buys a \$100 bond directly from a chartered bank, there is no change in the assets or liabilities of households, but chartered banks still gain a new deposit of \$100. They can now engage in a multiple expansion of deposit money.

Some hon. Members: Order, order!

[Translation]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but the time allotted to him is now expired.

Mr. Rondeau: Mr. Speaker, I would like to enjoy the same kindness as my—

Mr. Deputy Speaker: The hon. member may continue his speech if he gets the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There does not seem to be unanimous consent. Consequently, I must give the floor to another member. The hon. member for Timiskaming (Mr. Peters).

[English]

There is not unanimous consent.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I want to congratulate the hon. member for Richmond (Mr. Beau-doin) for introducing this motion and for the subject matter, and to console the Minister of Finance (Mr. Macdonald) on his feeble attempt to reply to what is a major problem in this nation.

Over a period of time the Liberals have indicated that they believe in establishing a fair and just society. We heard the minister in reply to this motion indicate that at best there was going to be rough justice, and he ended up making an appeal for the support of all hon. members and the support of the country for the anti-inflation legislation, knowing full well that that legislation will neither be fair nor just. A large number of people in this nation will be dealt with in an inequitable way. The anti-inflation program is unfair to the elderly, to the disabled, the needy and the young people of this nation. In making his reply the minister did not really say very much about a fair and just society.

The motion indicates that unemployment is one of the major problems with which we are faced today, and there have been a number of suggestions made as to how we will solve the problem and have full employment. The anti-inflation legislation introduced previously to cool the inflationary trend created unemployment, and this piece of legislation has done nothing to allay the fears of the average Canadian. Today it was indicated that unemployment has again risen. This trend has been continuous since

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the government took over in this country and, in my opinion, as long as this legislation is in force the trend will continue.

I asked a question today in the House regarding the problem faced by the pulp and paper industry. I suppose that many people do not know much about the paper industry, but it is one of our largest exports. In terms of labour, pulp and paper mills are under provincial jurisdiction, but there is a strike at Abitibi, in northern Ontario and northern Quebec which started back in July. It has not been settled; no meaningful negotiations are taking place; and the last negotiations were forced on Abitibi, by the Ontario government. When those meetings were held with the employers, the answer was that the formula of the anti-inflation guidelines, 10 per cent the first year, 8 per cent the second year and 6 per cent the third year, would be the basis of settlement. I am quite sure negotiations would have produced better than that early in the year, and certainly before going on strike if there had been good faith on the part of the industry.

● (2110)

There was a slump in the industry, assisted to some extent by the economic climate in the country and the fact that paper prices had gone up. In fact since 1972 the price of newsprint has gone up by 52 per cent, and processed bleached craft paper has gone up by 111 per cent between 1972 and 1975. The economic climate in this country created a situation where the pulp and paper industry has not had to deal with its employees. The government has provided the companies with the kind of loans that will permit them to ignore the plight of the communities in their areas. Most of those communities have only the one industry and are entirely dependent on it for their existence. They are in desperate straits, Mr. Speaker.

In northern Ontario 11 communities are seeking an injunction against the pulp and paper industry so that work can resume. The communities are financially bankrupt and their welfare load is impossible. I am surprised that this House is not giving some attention to this particular strike. The union concerned is a Canadian union which broke away from its international connections several years ago, and it now finds itself without money or support for its members. This is a strike which individuals are having to carry at great expense.

This is only one situation that has developed, Mr. Speaker. In large part the fact there is unemployment affects our ability to operate our educational system in a way that would train people for the jobs that are available. It is all right to bring people in from all over the world, but it hardly makes sense to bring in people who have to be provided with assistance if they do not find work when many of our own young people are unemployed. A few days ago I heard an employer complain that our young people will not work. I think this is true, Mr. Speaker, but I think we share the responsibility. We have either provided them with the wrong type of education or we are not providing them with training in the fields that will enable them to fill the available jobs.

It is true that many of the people receiving unemployment insurance benefits are not employable in the sense that they have a choice of employment. They are young