

Economic Conditions in Rural Communities

financial strain that has been imposed upon the provinces, the tremendous effects of the high rates of interest and the lack of money for public development, have worked hardship at that level of government far more than at the federal level. That is why, in the present situation, it is clear that the provincial governments are the ones most concerned about the actual levels of unemployment. They are concerned first, because they have not been able to undertake many projects relating to expansion of sewage facilities, pollution control, the expansion and building of hospitals and schools and, secondly, because one of the side effects of unemployment has been that welfare costs have increased for both provincial and municipal governments. These welfare programs are now very costly for the municipalities. In 1970, as a result of high unemployment, municipal governments in total spent \$275 million to finance welfare expenditures, as compared with \$213 million in 1969. That is a 23 per cent increase. This is one reason the economic community, provincial and municipal governments have lost confidence in this government.

The government has the responsibility of administering the affairs of the country and to initiate proper economic and fiscal policies as it sees fit. We can only talk to the government and draw its attention to those things that we are trying to recommend, because we think that our suggestions might be useful in the situation. That is why the motion we are considering was moved. I believe that we are speaking on behalf of the vast majority of Canadians who know that the situation is grim, and know the realities of it.

Some hon. Members: Hear, hear.

Mr. Thompson: The last two days of the budget debate were spent in debating unemployment. May I mention one or two points at this time to emphasize again that this is still the most crucial problem that we face at present. If we could have confidence in the pronouncements of the government and the Prime Minister, that this is merely a seasonal situation, that it has been a difficult and cold winter, that other factors have contributed to the situation and that, since spring will be here in a month or so, unemployment will go down rapidly, perhaps we would not be so concerned. I am concerned now because the change in the financial policy has had such little effect. The influx of a greater volume of money into the economy has done little except put a bit of moisture into the sponge. The availability of money is not great enough to stimulate the development of the country. The same degree of unemployment still exists.

It is true that unemployment will go down somewhat this spring and summer; yet the indications are that the level of unemployment among students this year will not go down to the level it reached last year. I am not concerned so much about what will happen in the coming spring and summer, as I am about students who are completing their education and who will not be able to obtain employment. I am even more concerned about what will happen next fall and next winter; that is when the real impact of present policies will be felt. We

[Mr. Thompson.]

warned the government about the situation and hoped that they would do more than they have to correct it. I think that the government must consider lowering the unemployment level to a more desirable figure. I say that because that is a prerequisite of social justice. Too many of our young people are unemployed; too many cannot find jobs in the summer or after leaving university. Those who have completed their formal education expect and desire to find work. If we deny them the opportunity to work we shall erode their faith in the future of their country and in the ability of the government, which has responsibility in this area, to provide what has been promised, what has been expected, and what it is the right of these Canadians to expect.

How can we expect our young people to have confidence in a country which cannot provide them with the means to live and which puts them on welfare. Such actions do not encourage the initiative, the enterprise and ability of which our young people are capable. Our nation needs those abilities. It is high time that the government revitalized its policies to meet the situation. In order that full employment may be generated—I do not use the term “full employment” in the sense that 100 per cent of our work force will be at work, because that would be impossible when one considers our climate, regional disparities and distances, but in the sense that not more than 2 per cent of our work force is unemployed—it will be necessary, by 1975, to create between 1.3 million and 1.4 million new jobs. As the Economic Council of Canada has indicated, our present output performance is below average. How then can we expect the necessary jobs to be available within the specified time? The growth in employment in 1970 was 1.3 per cent, the lowest growth in employment since 1950.

Some hon. Members: Shame.

Mr. Thompson: These are statistics that we cannot rationalize away by using phrases such as “seasonally adjusted”.

May I refer, Mr. Speaker, for a few minutes to the expansion and growth of our economy. I think that unless this economy can be expanded, unless our gross national product can increase year by year, the jobs so necessary to provide work for our people just will not be available. In my province, Alberta, there are literally thousands of oil wells. We are grateful for that tremendous petroleum reserve. We note with interest that reports in today's newspapers indicate that as a result of agreement between oil companies and middle eastern countries, the price of imported oil will go up. That agreement, which for the time being, will solve the petroleum needs of Europe and, in part, of our eastern seaboard, will mean an increased price. In my opinion, although there had not been a price increase for a number of years and the middle eastern countries were quite justified in asking for more money for their oil, this agreement is bound to have a tremendous effect on the oil industry in this country.

It has been said that it is impossible to ship western oil economically to eastern Canadian markets. That argu-