

The Budget—Mr. Forrestall

respect to the budget that has now been put before the Canadian people. I say that because the high rate of unemployment continues to be the major economic problem in this country. High regional unemployment rates continue to plague the government's regional development strategy. It is axiomatic that full employment is a prerequisite to a viable regional development policy. Until the Minister of Finance and the Minister of Regional Economic Expansion (Mr. Marchand) get together, it is unlikely that Canada's regions will receive any of the benefits which prosperity has brought to some parts of our country.

The region from which I come, the Atlantic region, increased its employment prospects at about the same rate as it increased its labour force. Thus, the new jobs created by the various regional programs did nothing more than keep the unemployment rate from getting worse. There is very little comfort in that and the Minister of Finance and the Minister of Regional Economic Expansion dare not expect much praise for that situation. The unemployment rate in the Atlantic provinces averaged, on a seasonally adjusted basis—and I wish some day that someone in the House could tell me exactly what that means—7.6 per cent for 1970. The rate was 8 per cent for Quebec, 7.8 per cent for British Columbia, 4.5 per cent for the prairies and 4.4 per cent for Ontario. In the Atlantic region, there were little pockets of unemployment where between 25 and 30 per cent of breadwinners were out of work. For that type of situation, this budget does absolutely nothing. Our economy will not recover until these regional pockets of unemployment are cured. They will not be cured until this government recognizes that you can only fool some of the people part of the time. Although the people of Canada and particularly our labouring people welcome what has been done, they will soon realize that the government's measures take them only part of the way down the road. It is the younger portion of the labour force which has most heavily felt and borne the brunt of the total misunderstanding and miscalculation of the government.

There are other hallmarks to show we are in the midst of a recession and of a protracted period of unemployment. We know that the number of Canadians who have been unemployed for more than four months has increased. The increase has been almost in the order of 100,000 over the past 10 or 12 months. This ought to give the government serious concern. It must know that merely tinkering with the present tax levels will not bring about the type of explosion in the economy that is required over the next six or eight months if we are to avoid a winter of unemployment that will be worse than the one we have gone through. Unemployment affects all members of our community. It hits everybody. It has hit the employer himself, as we have pointed out to the Minister of Finance. Not only workers, who make up a large proportion of our unemployed lists, are affected but business leaders, too, have found themselves out of work. By presenting this budget, the government has taken a lazy step in the direction of curing that problem.

I suggest, Mr. Speaker, that the government has also placed an undue and unfair burden on the shoulders of

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the municipalities of this country. The ten provincial governments together are projecting deficit budgets for the coming year and their combined deficits will be in excess of \$1 billion. This can only be interpreted as an attempt on the part of the provinces to stimulate their economies, because somewhere in their ranks are people who are aware of the necessity for getting the economy going again. It is obvious from these simple facts that the provincial governments are being saddled with the burden of recovery. In the face of a hesitant federal government, the provinces have to strain their own meagre resources and use their borrowing powers to the fullest possible extent.

The government's approach, Mr. Speaker, to the equitable distribution of income tax is lamentable. It is regrettable that they back-tracked. It is regrettable that they cannot recognize that perhaps a little inflation may be the price for full employment in Canada, and perhaps that is the price all Canadians would like to pay. I cannot go all the way down the line with my friends to my left, although their subamendment is such that one would almost have to be against motherhood before not going along with it. Suffice it to say that the government has not, in this budget, done those things which will provide this country with an expanding economy and a dynamic recovery rate. It will not produce the type of economy which will put our people back to work. An expanding economy is the only thing that will put them back to work.

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

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty at this time 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 Winnipeg North Centre (Mr. Knowles)—Canadian Pacific Railway—Suggested pension increases for employees who retired before 1956; the hon. member for Dartmouth-Halifax (Mr. Forrestall)—Public Service—Provision of national salary scale for nurses.

• (5:00 p.m.)

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Benson that this House approve in general the budgetary policy of the government.