

*Government Orders*

Consider that every percentage point of unemployment is estimated to cost \$2 billion. That means that if the government decided to help the unemployed by bringing the rate down to 8 per cent, we would cut \$6 billion from the deficit in the UI fund.

The government could act but it refuses to do so. The government is still waiting, trying to ride it out and hoping that the economy will eventually turn around and take care of things naturally, just like it has always done. That is wishful thinking.

The government is deluding itself if it thinks the business cycle is going to save our economy from eight years of Tory neglect. The unemployment we faced in the past was cyclical. It resulted from a slowdown in the economy as factories laid off workers in response to a drop in demand. After a time, demand would rise again and the workers would return to jobs like the ones they had left.

While cyclical unemployment was a difficult problem, the unemployment challenge we now face is much more daunting. Instead of cyclical unemployment we are now faced with structural unemployment. Instead of joblessness caused by temporary slow downs we have joblessness caused by permanent shutdowns. Our economy is in transition. Factories are shutting down forever. Old established firms like General Motors and IBM regularly announce huge layoffs. Whole sectors of the economy are downsizing and moving toward smaller workforces. None of the old truths apply any more.

According to the OECD, the Conference Board of Canada, the UN Department of Economic Development and other institutions, Canada is going to continue to be plagued by high unemployment well into the next year and probably even longer, despite strong economic growth. We are entering the jobless recovery. In the past two years 460,000 people lost their jobs and analysts believe many of these jobs will never reappear.

These people and other unemployed Canadians have the right to look to their government for help and direction. They have the right to expect their government to live up to such commitment as jobs, jobs, jobs, adjustment programs for displaced workers and the development of a learning culture.

The government has not lived up to these commitments. For over eight years the Conservative government has ignored the unemployment problem and abandoned millions of Canadians to the mercy of the marketplace. The government put its faith in economic theory at the expense of everything else.

Instead of an activist government which cares deeply about people, Canadians have an unfeeling government which talks coldly about getting the fundamentals right. We have a government which frittered away great opportunity in good years and did nothing to help the needy in the leanest years since the Great Depression.

This government does not understand that while deficits are very costly, human misery also carries a very high price tag. All of society suffers in a period of prolonged high unemployment because unemployment represents lost production, lost wages and lost human potential.

One organization estimates our economy is presently operating at 9 per cent below its potential, which means we are losing \$60 billion a year. Between 1991 and the year 2000 Canada is expected to lose about \$400 billion. That is \$400 billion in lost exports, lost tax revenue and lost wages.

Besides the financial cost, high unemployment has a huge social cost as more and more people are forced onto welfare or out of the system altogether. In metro Toronto, for example, officials are predicting that the number of people on welfare could climb to above 200,000 this year. That represents a disastrous 75 per cent increase since 1990. In the past year every province has seen dramatic increases in the number of people who must rely on welfare in order to survive. All of this human suffering is a result of the most painful recession in 50 years.

The situation is bad at present but will only get worse if the changes in Bill C-113 become law. If people who quit their jobs or are fired are barred from collecting unemployment insurance, as these measures propose, they will have to turn to welfare. Because of technicalities some people may not even be eligible for social assistance. That is another unfair element of this bill and another reason why the government should withdraw it.

Finally I would like to address the question of how these changes will affect young Canadians. I believe that young Canadians have much to fear from these measures. There are presently over 400,000 unemployed young people in this country. The youth unemployment rate is 17.2 per cent, compared to a national average of 11 per cent. While young people are generally disenfranchised in our society, they are over-represented in the unemployed population. People aged 15 to 24 make up only 29 per cent of the total population but they represent 38 per cent of the number of jobless Canadians. Many speak of a lost generation of young people condemned to a lifetime of dependence on unemployment insurance, broken up by stints in low paying, low skilled jobs. Many young Canadians in their mid-20s