

Alleged Non-Support of Employment Programs

as part of the labour force, and indeed a most active and useful part of that force.

I conclude that one has to reject the harping with respect to unemployment and recognize that it is in part a spillover from the United States which we will be subject to it until we achieve more complete control of our economy. I am happy to say this government is actively pursuing that goal.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, at the outset I should like to congratulate the previous speaker. I think my party's whip will agree to give the hon. member ample notice before the next opposition day so that he can be here to make another fine speech.

I am proud to support the motion so ably presented by my colleague, the hon. member for Spadina (Mr. Ryan), in which he condemns the government for its failure to foresee and take steps to provide for the escalating effects of its unemployment policy upon the social assistance funds of the provinces and municipalities, and its failure to consult and co-operate with the provinces and municipalities in providing emergency financial support and employment programs.

It is an old story: the unfortunate aspect of this government's blundering is that the poor people of Canada suffer the most. Poor people always seem to end up on the other end of the stick. When there is a mild economic recession it is the poor people who are most severely hurt and find it most difficult to recover, both socially and economically. Paradoxically, it is the poor who as consumers naturally have less money to spend but are paying more. Their inability to earn a decent living is only one side of their economic plight. Also important is how they spend what little income they have. If they are paying more for the goods they buy, they are being denied the benefits of their earning power.

● (5:40 p.m.)

There are two ways in which the poor are paying more for goods and services than more prosperous Canadians. First, they are using a larger percentage of their disposable dollars; second, they are often paying higher prices for goods and services. With cash resources inadequate for even immediate necessities, the poor person cannot time his purchases to take advantage of special sales. He cannot buy in bulk, although this would keep regular, basic costs down. He cannot buy quality with resultant long-term savings because he cannot afford the immediate larger cost. He cannot do effective comparison shopping because of the additional transportation, baby-sitting and other costs involved.

The poor person's lack of ready cash may limit him to buying at stores which will supply credit, usually neighbourhood stores which cater to the low-income consumer market. The low-income consumer is rarely eligible for the standard credit arrangements of larger department stores and has to buy his credit at high-risk interest rates. He then faces increasing and overwhelming credit costs in debt consolidation arrangements.

The last two points raise the most important aspect, and that is the institution of credit so far as low-income

[Mr. Harries.]

Canadians are concerned. The poor people of this country, as indeed poor people of all countries, entered the mass consumption society through the use of instalment credit and they have been victimized by fraud and deception which have accompanied this method of selling. One of the major problems of persons buying on credit involves merchants and credit companies which fail to live up to their ethical and legal obligations. Many such practices by merchants are illegal but nonetheless they continue.

When a merchant fails to respect a guarantee, the consumer is more likely to lose his initial investment than to obtain justice. In part this is due to his ignorance of the laws which protect him and of the agencies which can help him. But the inequality also stems from the merchant's superior resources. He can turn the job of collecting overdue accounts over to lawyers, collection agencies and the courts. On the other hand, the consumer, especially if he is poor, lacks the resources and the professional advice necessary to defend himself properly.

Poor people are unable to contest claims in court and in most cases they lose financially by not contesting them. I have been told by court officials that the overwhelming majority of consumer credit claims are uncontested. In such cases the creditor is entitled to judgment for the amount of his claim, together with his taxable costs. As a rule he is not required to prove the claim, the theory being that the debtor by failing to contest it has in fact admitted its validity. Consequently, even if laws exist to help the overcommitted consumer, the costs to him may be equally high whether or not he uses those laws.

The best shopping skills, the most exhaustive consumer education program and a fair, open and protected market place can alleviate only some of the discomforts of poverty. The essential problem is lack of income. Until poverty itself is eradicated, only limited solutions can be found for the consumer problems of low-income Canadians. This, of course, takes us to the problem of unemployment and the subject of the motion we are debating this afternoon. I think that most Canadians have pretty well received the message that the government's anti-inflation policies have created a high level of unemployment, probably the highest within the past ten years or more. This high level of unemployment, encouraged and indeed brought about by the government, has had a disastrous effect on a large segment of our population. It has also imposed an unbearable burden on provincial and municipal budgets.

It is a well known fact that a country can never hope to achieve its potential prosperity or a high level of economic maturity so long as a major segment of its population remains non-productive. I can speak with some authority concerning the province I represent. When you have 20 per cent of the population in any part of Canada forced by economic circumstances and legislative restrictions to live off the fat of an already flabby economy, then that society is indeed in trouble. Add to that another 7 per cent, 8 per cent or 9 per cent of the population who through no fault of their own are forced