

the country generally. By electing three New Democrats in Thunder Bay-Nipigon, Thunder Bay-Atikokan and Kenora-Rainy River, they created, as the editor of the weekly newspaper in Thunder Bay recognized, an NDP sweep in the midst of that blue tide. That fact is one to which the three of us, as new Members of Parliament, intend to be faithful in speaking as our constituents would have us speak about the enormously important concerns that face us.

It is beyond question that the economic situation in our country, primarily the problem of unemployment which faces so many Canadians, is the great concern of our day. There was no doubt about that during the election campaign. I called on thousands of people from door to door and met time and again those who had been seeking work. I met tradesmen who had been unemployed for months, carpenters who had been off for six months, a year or 18 months. They were by no means certain they would ever be able to work again. As I met them I began to realize the importance of the problem. We think so easily of the unemployment which faces the young as being a dreadful problem, but it is not much less serious for someone in his or her forties, fifties or early sixties, particularly those who do not have adequate pension plans. They feel a terrible fate before them when they are no longer employed. It was obvious to me that here was the great challenge that faced us. It was a challenge to which all Parties in the election campaign gave lip service, and it was certainly a challenge which all Canadians expect the present Government to face up to and deal with.

It is therefore tragic, Mr. Speaker, that with the fine words we find in the Throne Speech, on Thursday night we got in this financial statement what is, in my opinion, a profound contradiction to the hopes which have been expressed. In dealing with this, in recognizing the problems of unemployment that face our people I want to suggest that the hopes for national reconciliation which have been expressed in the Throne Speech are likely to end up being completely blasted if the financial statement truly indicates the direction the Government is going to take.

● (1120)

It will not be possible to resolve our difficulties by worrying only about the deficit and by using policies of "trim and cut" as a means of paring it back, which could only be done to a limited extent anyway unless one does become truly draconian. As of Thursday evening the Government was not prepared to take the drastic action which I suspect many of its business supporters wanted it to take. Yet we have this trimming and paring in various places which will surely inflict hardship on people, even when practised only to a limited extent, as in the area of the unemployment insurance administration.

The great difficulty with those actions is that the policies of the Government take the wrong direction. We are not going to see a resolution of the enormous problem of unemployment, which faces so many people across the country, if we deal with the deficit as the primary problem in the country. Instead we must have a different vision of what Canada should be like. We must think again of how the country could achieve full

employment and how differently the fiscal system of the country would bear on its people if in fact we were able to achieve full employment.

Having spoken about that possibility during the campaign, I would like to put it on the record here so that there can be no doubt about where I stand. I still believe that 4 per cent is the goal towards which we should be moving. Settling for 10 per cent unemployment is simply unacceptable. If the people of Canada ever considered what the enormous costs of unemployment are, they would be inspired to support us in the actions which need to be undertaken.

I have suggested some of the human costs of unemployment. There are social costs as well which impinge on government, such as the higher cost of policing. The social and economic costs run to enormous amounts when we take into consideration the revenues which are forgone when people are not employed. There are clearly billions and billions of dollars of tax revenue not coming in because people are not employed. On the other hand, we must recognize the direct cost to government of unemployment insurance which is paid out month by month, running to billions of dollars over a year. Other costs include higher social assistance payments which drive up the cost of the Canada Assistance Plan.

We recognize these factors as the consequences of employment and begin to realize that the road out is not to be preoccupied by a deficit which is inevitable in these circumstances. Instead we must ask ourselves by what means we could make real progress toward 4 per cent unemployment. We must ask ourselves what kinds of capital investments, among other things, need to be undertaken by government in order to make that progress.

If we were to achieve substantial movement toward that goal and to consider what the costs of government would in fact be given 4 per cent unemployment, surely we would have reason to undertake those measures rather than follow the ones the Government has taken. We would find that taxation, which is opposed by so many people, could be reduced to a level all Canadians could accept once we have achieved full employment in Canada.

Taxation was an important concern in all of the election campaigns across the country, as it was in my campaign in Thunder Bay-Nipigon. I think we want to recognize there the possibility of achieving some greater fairness even before achieving the full employment of which I have been speaking. We must realize that if the total costs of unemployment in direct outflows, in terms of unemployment insurance payments and the total of tax expenditures and subsidies—which are taxes not collected, particularly from large corporations—exceed the present federal deficit, then there is a basis for saying that the tax burden that is being borne by individual Canadians is far too high.

● (1125)

When these tax expenditures include benefits for wealthy Canadians who can avoid paying taxes altogether, and when there are grants and tax breaks for large corporations and