

Mr. Stanbury: As the hon. member knows, last year in response to demand for emergency federal assistance with hostel accommodation the most readily available federal facilities were offered and staff was organized from Ottawa for these facilities. This year we are adopting quite a different approach. We are prepared to give financial support to local initiative in the supplying of hostel facilities. We feel that there are facilities more appropriate than armouries in most communities, and we already have many indications of interest from municipalities and voluntary organizations which are assessing the facilities in their communities, organizing them and will be receiving some financial assistance from the Department of the Secretary of State. But, Mr. Speaker, the federal government will not be operating hostels.

Mr. Gleave: May I ask the minister under what provision or regulation of the Public Service Commission in Canada—I am quoting him—positions in a particular locality will be filled by students from within that locality? Under what provisions of the Public Service Act will that be done?

Mr. Stanbury: Mr. Speaker, I do not presume to answer on behalf of the Minister of Manpower and Immigration (Mr. Lang), but I understand that he has dealt with this question. Perhaps he could deal with it further the next time he is in the House during the question period. I might add that the suggestion on the part of some hon. members in the Conservative party that the government is somehow passing the buck by attempting to respond to citizen initiative seems to me a most unconservative attitude. Rather than this government attempting to impose its ideas of worth-while programs on the young people of Canada, we are attempting this year, really for the first time, to show that a government of Canada can respond to citizen initiative and can recognize that there is a third force in Canadian society, other than government and industry, which provide an important impetus to our society. There is a voluntary citizen force, and we think it can be a much more powerful and productive force in this country if we respond to it.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, after listening to the hon. member for Calgary South (Mr. Mahoney) the 675,000 Canadians who are without jobs may sleep a little easier tonight, but he is obviously ignorant of the facts and is unwilling to accept the true story of what is happening in Canada. He has either been exposed to his wealthy oilmen friends in Calgary or has come down with a severe case of "Bensonitis". His having been recently appointed as parliamentary secretary to the Minister of Finance (Mr. Benson), I suspect that the latter is true and he is suffering from "Bensonitis".

Mr. Stanfield: That's a fatal disease.

Mr. Carter: Yes, it is fatal. The hon. member and his colleagues talk about economic growth, the strength of the Canadian dollar, how sound the economy is, the end of inflation and the decline in unemployment. Yet while

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these words are being uttered, more people become unemployed. Indeed, the unemployment rate has been steadily increasing for several months. After battling inflation at the expense of the average wage earner, the poor and unemployed, the government has given up the fight.

● (3:30 p.m.)

At the outset they deliberately created unemployment to beat inflation. The Minister of Finance (Mr. Benson) and the Prime Minister (Mr. Trudeau) admitted this when they stated that they were quite prepared to allow unemployment to rise to an almost unprecedented high figure in order to wage their so-called war on inflation. They have lost that battle and are unable to respond to either the inflation that has been plaguing the country or the challenge of unemployment. While pretending to be fighting for the little man, in the last two years the government has refused to provide adequate help for him or his family if he is unemployed.

Members of this party have asked for emergency benefits and for reform in the regulations under the Unemployment Insurance Act. The mayors and provinces have followed this lead and made the same request. In its stubborn way, this government has refused to heed the suggestions, as it has refused to heed the problems facing the average Canadian who today finds himself among the 675,000 without jobs.

The bill to increase unemployment insurance benefits now before this House is a reform measure which will have its effects in the long term. It can only be regarded as a rearguard action to cover the Prime Minister's retreat from the battlefields of unemployment and inflation. We have asked for reform of the Canada Assistance Plan, and the provinces and cities have echoed this. In its present form the plan is absolutely insensitive to the difficulties of the different regions of Canada.

The government has argued that the private sector must expand and create new jobs, yet the government has refused to bolster the confidence of the private sector by spelling out its tax reform intentions or by ending its policy of passing the buck to labour and business when it comes to inflation. By refusing to lift any of the present tax burdens, the government is preventing the economy from rising from its present despair. For example, the 3 per cent surtax has been maintained and the 11 per cent sales tax on building materials has also been maintained. The government does not even entertain the idea of selective income cuts for middle and low-income groups.

I think it has become fairly evident to most Canadians, but more especially to the 675,000 unemployed, that the Prime Minister and his Minister of Finance refuse to recognize the problems facing the nation. This is particularly true with regard to unemployment and the various statistics published by the Dominion Bureau of Statistics. They have obviously succeeded in fooling themselves. I should like to inform them, however, that they are not fooling the Canadian public in general nor the large number of people out of work. I can certainly tell them that they are not fooling the 15.2 per cent of the workers in my province of Newfoundland who find themselves