

I ask, who has to bear the brunt of the government's ill conceived and outmoded concepts of economic policy. The young people, to speak of one group, have to bear the brunt. The regionally disadvantaged areas of the country have to bear the greatest burden. Those areas of the country cannot hope to gain from the government's regional development programs for some time if the government pursues its present course. That has been suggested by all the leading economists of the country. It has been placed on the record.

• (12:40 p.m.)

It is a fact and not a theory that for the disadvantaged regions of this country to be able to benefit both in the short and long term from the government's regional development policy, the regional development policy must work within a general government policy of full employment. Otherwise, one effectively cancels out the other. You cannot have one without the other.

This bill must be evaluated by asking if it moves the Canadian economy towards economic prosperity. What does it do for the Canadian economy at this critical point in our history? If it does not, and I suggest it does not, then the House should be more properly concerned with immediate and urgent crash programs to meet the serious situation in the country now and the serious situation that will flow from it in the months ahead. Unemployment in this country will reach disastrously high proportions.

This bill dictates to a degree Canada's economic climate. It must if it is to be what the government says. Economic prosperity in the sense of full employment is mandatory if regional economic expansion programs are to achieve their real potential. This government has been following a totally contradictory course with policies that are working at cross-purposes with the government's regional program. On the one hand, the government tries to solve economic disparity and, on the other, places a damper on the economy which will lead us to the darkest economic winter we have faced in many years. Full employment in Canada must be our immediate goal. It must be supported by a full employment budget.

The Economic Council of Canada defines full employment at 3.8 per cent; in other words, a national figure of 3.8 per cent unemployment. If you have 3.8 per cent unemployment, this means that in the province of Ontario, the industrial heartland of the country, you will have a rate of unemployment somewhere between 2½ and 3 per cent. In an area like the Atlantic provinces, you aim for a realistic rate of about 5 per cent, certainly not more than 6 per cent.

At the present time, the rate of unemployment in the province of Ontario for the month of August stands at a whopping 5 per cent, up over the previous month of July. What chance do we in the Atlantic provinces have if unemployment in Canada's industrial heartland is increasing at a time when it should be rapidly declining? What chance do we in the Atlantic provinces have if the unemployment rate in the province of Ontario stands at 5 per cent during the month of August? The consequence of that 5 per cent rate of unemployment in the province of Ontario for the month of August is that in the Atlantic provinces we have almost 10 per cent unemployment.

That is a fact. The DBS figure for the Atlantic provinces is 9.4 per cent.

We have inflation because we have a double jeopardy here. We have rising unemployment and rising inflation. You cannot discuss one crisis without the other because they are both critical. What happens when we have high inflation? It takes its highest toll in the low income regions of the country which did not contribute to it in the first place. Inflation means real human suffering when we consider a shrinking dollar in an area of traditionally low employment and high unemployment in an area of high prices, an area plagued by transportation problems and geographical disadvantages. This government does not seem to appreciate or grasp the real suffering.

My own city of St. John's has a number of dubious distinctions. Hon. members can appreciate what this means there. That city has the highest per capita cost of living in the country and the lowest per capita income in the country. Couple this with the high rate of unemployment and you will realize what this means in terms of real human suffering. It means the difference between having beans on the table or not having beans on the table. Meat is out of the question. The present figures on the cost of living index released yesterday by Statistics Canada surely provide dramatic proof, if it is needed, that the government's policies to curb inflation have not worked. Not only do we have continuing, spiralling, runaway inflation, but we have spiralling unemployment at the same time.

Surely, the government must admit its mistake and proceed at once with a crash program to get Canadians back to work. It is as simple as that. If we did not have the present rate of inflation which, based on the July-August figures, represent an annual increase of 8.4 per cent and if we did not have the present rate of unemployment which, based on the August figures, stands at 6.5 per cent, perhaps we would have been able to weather the consequences of the present United States policy. If our economy had been in a healthy position, it would not have been necessary for us to have gone with our cap in hand to Washington plaintively begging for special consideration. The fact is that our economy has been weakened by the outmoded policies of this government.

Inflationary increases in costs are very serious. Everyone admits that. They are a very serious threat to our economy and can seriously cripple our economy. The government's obsession with their own blinker type strategy to fight inflation has deprived the economy of the vigour and vitality which could have been of so much value in helping us face up to the economic realities in the world today and the situation which we are in as a consequence of the present United States policy. As for inflation, this government has failed where it should have succeeded. As for unemployment, it succeeded where we all wish to God it had failed.

Another example of the economic brinkmanship in which this government seems to revel is the unpegging of the Canadian dollar and what that means to certain areas of the economy. In freeing the exchange rate and boosting the cost of our exports, this government has directly contributed to further unemployment. It certainly contributed to unemployment in my part of the country which, to a large extent, is dependent on exports of raw materials to