

minister argued that we are doing better than most countries. The real question in fact is, are we really doing better than other countries and are we doing as well as we can in a country as wealthy as Canada? No other country in the western industrial world except the United States has as high a rate of unemployment as Canada. As I indicated last month, the seasonally adjusted rate of unemployment was 6.7 per cent, a real rate of 8 per cent. There is hardly a country in the western industrial world which has a rate of unemployment even half that of Canada except the United States.

The minister has opposed the idea of having a more expansionary budget by arguing that the proposals made by the NDP, by many economists in the business sector of this country and by academic and labour economists would supposedly further fuel inflation. One would think we were speaking of a country in which there is no real inflation. In fact, we have had the highest rate of unemployment in the last six months that this country has seen in many years, and we had an inflationary rate last year of almost 12 per cent. The minister rejected any proposal to expand the economy because he felt he must deal with inflation, but he has not done this.

The minister speaks of the programs the government has initiated to help the needy. The fact is that the 12 per cent inflation in the last year has been particularly difficult for people in the lower income brackets because the inflationary rate for them is substantially more than 12 per cent, since they spend the bulk of their income on the basic necessities of life such as food, the cost of which is up probably 18 per cent, and shelter and fuel which have gone up more than 12 per cent. Another point we must keep in mind is that all the programs of the Liberal government in respect of redistributing wealth in this country have had absolutely no effect.

● (1730)

According to figures released by Statistics Canada, in 1957 the lowest fifth of the income earners in this country received only 4.2 per cent of the gross national product. The highest fifth received 41.4 per cent of the total production. The last year for which I have figures shows that the lowest fifth of the people in 1971 received less than they received in 1957. They received only 3.6 per cent of the total production of this country, while the highest fifth received 43 per cent. In other words the poor became relatively poorer in the years from 1957 to 1971, while the upper fifth, the rich, became richer.

Senator Croll's poverty committee, certainly no flaming, wild eyed group of radicals—no socialists there—has estimated that in 1973 the poverty line for a family of four was \$6,990. A very large percentage of the people in Canada, 25 per cent or more, earn less than that, and that is the situation we face.

My colleague, the hon. member for Oshawa-Whitby (Mr. Broadbent), referred to the study released a few days ago by the National Council on Welfare, a body established by this government, which has its offices in a government building. In a report which was issued last week entitled "Poor Kids" it estimates that out of 6,750,000 children under the age of 16, 1,650,000, or 24.5 per cent, are living in poverty. That is the situation which the Minister of

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Finance and other Liberals tell us is satisfactory and adequate, and say that we have never had it so good.

Mr. Cullen: Who said that?

Mr. Orlikow: The minister told us that we were doing as well as we could do.

Mr. Cullen: He didn't say that.

Mr. Orlikow: That was the whole tenor of this argument.

Mr. Cullen: You weren't listening.

Mr. Orlikow: Of course I was listening. If hon. members do not like the facts I extrapolate and the observations I make, I am sorry. The facts are there. I did not make the calculations. I did not appoint the National Council on Welfare. That council says 24.5 per cent of the children in this country are living in poverty. I say that that is a disgrace. I say that the government could have, and should have taken steps to change that situation.

The last argument the minister made was that we really did not need an expansionary budget, and we should not be so concerned because our economy is tied to the United States—that is true, unfortunately—and that the United States economy will begin to improve in the last quarter of 1975. That assumption has been challenged by almost every economist in the United States—not radical economists, not socialist economists, but economists such as John Kenneth Galbraith, Paul Samuelson and Arthur Okun, economists who have worked for United States governments, who say that not only is the United States faced with a recession at the present time, but that in fact the United States is into a depression the like of which it has not seen since the 1930's.

Unemployment in the United States is higher than in Canada; 8.2 per cent of American workers are unemployed. That figure is higher than President Ford's economic adviser, Mr. Greenspan, estimated it would be two months ago. Very good and cautious economists in the United States are estimating that the unemployment rate will, in all likelihood, go over 9 per cent, and possibly approach 10 per cent. We have a situation in the United States where President Ford, an economic conservative for all his political life, which goes back more than a quarter of a century, faced by the extremely difficult situation in the United States, has proposed tax cuts which would mean a deficit of \$20 billion. That proposal has been rejected, not just by the Democratic majorities in the House of Representatives and the Senate, but it has also been rejected as being too little and too late by the economists whom I have already mentioned—by J. K. Galbraith, Paul Samuelson and Arthur Okun, who have argued that what the United States needs in order to get people back to work is a budget deficit of \$50 billion in 1975.

That is the kind of proposal we have made and we are making again today. We have argued that this country does not need to have an unemployment rate of 6.7 per cent seasonally adjusted—8.2 per cent in real figures—that this country does not need to have nearly three quarters of a million people unemployed, and that this country has the resources to put people back to work. How can that be