

• (2120)

I do not like offering statistics except to prove a point. However, for the benefit of the Minister of Finance may I say that in Canada unemployment goes beyond statistics. In Canada, unemployment has a twofold effect. The first effect almost everybody understands. There is the cost of unemployment in terms of its strain on the national treasury, which does not have to be explained after the \$2 billion deficit we experienced last year. Then there is the cost of unemployment in terms of loss of productivity. On the one hand we have the case of a man sitting at home drawing benefits from the system, and another fellow at the other end who is working every day.

This does not have to be explained to anybody; one does not have to be an economist or a minister to understand it. The fellow who sits at home may be a farmer or a fisherman. The fellow sitting at home is eating out of the vegetable bin, and the other fellow has to produce. Can you imagine the difference in productivity on the farm?

In material terms we have the drain of unemployment on the Canadian nation. In economic terms we lose several billion dollars because of lack of productivity due to unemployment. There is another side to this situation which every member must have observed. I wonder whether anyone can imagine the impact on a family when a man has to sit at home doing nothing. What impact does this have on the individual and on his children? The children come home from school day after day, having mingled with children whose fathers are employed, and look around at the old skipper sitting back in the corner receiving the benefits given by the state. I ask hon. member to consider the impact on a family which in this situation has to obtain the necessities of life in an environment where prices are increasing very dramatically. I happen to come from an environment where this is a common occurrence. There is insecurity involved in having a half million people sitting home not knowing what will happen. They do not know whether or not they will be working tomorrow. Then there is another group of people. There are the hundreds of thousands who are just scraping by, people who may work today and not tomorrow.

The total impact of unemployment on this nation is worse than any pestilence, war or disease. This is a matter in respect of which we think differently from the people in the party across the House. I believe the party opposite has shown that over the last four years it has not understood that unemployment is a problem in Canada. It seems to believe it is something which can be cured. I do not believe the people sitting across the House, the Prime Minister or the Minister of Finance really believe unemployment can be cured. I do not believe they even think it should be cured. There is a difference between our party and the party opposite on the matter of conviction. We are convinced we cannot continue to tolerate the unemployment levels we have had.

**Some hon. Members:** Hear, hear!

**Mr. Lundrigan:** The Minister of Finance in his budget last Monday night told me, at least, as one Canadian that he does not believe this situation needs curing. He has painted a black picture. I am amazed that a man of the

### *The Budget—Mr. Lundrigan*

integrity and intelligence of the hon. member for York South (Mr. Lewis), who leads the party to my left, would be willing to go along with a budget which he considers will not work.

As one who comes from one of the poorer regions of Canada, I say that unemployment and inflation problems, with the present approach, will be no better in the future than they are today. The hon. member for Verdun agrees with me. He has had the same attitude for a number of years. Since 1969, when we first heard of the inflation-employment trade-off where jobs are given away to cure inflation, people have asked what the alternative is. I heard the leader of the New Democratic Party say that if we gave them an alternative, they would support us. He said that if we could provide some way to control the problem, they would support us.

We have offered an approach. I need not reiterate what my colleague, the hon. member for Edmonton West (Mr. Lambert), the hon. member for Don Valley (Mr. Gillies) or the Leader of the Official Opposition (Mr. Stanfield) have said: we have said there must be more substantial cuts and more reduction in taxation to provide real expansion. We have said that the deficit of the Minister of Finance, which is a little more than half the deficit of last year, is not enough.

The minister quoted people from the Toronto Institute of Quantitative Analysis, Messrs. Jump and Wilson. They said that sales tax reduction is the best way to provide stimulus on the one hand, employment on the other hand, cool off inflation and provide the equity of taxation that would benefit the poor people in this country. This is what the experts have concluded, not in 1962 but in 1972 and 1973, in this decade. Therefore on that basis, for the benefit of my NDP colleagues, may I say we have said we do not want only a reduction of the tax applicable to the clothing of small children but would eliminate the entire taxation on clothing. That is one approach we have recommended. Sales of clothing in Canada in the past year amounted to \$3 billion. We have gone further—I take issue with the Minister of Finance on this—and said that it is absolutely essential that the 11 per cent building tax be eliminated.

**Some hon. Members:** Hear, hear!

**Mr. Lundrigan:** Today, in response to a question from this side of the House, the minister indicated there is no need for this. He said he was completely satisfied that his budget of last Monday night would provide the necessary stimulus. We have gone further. We mention the building tax, not only because of the stimulus on its own but because of the very critical housing problem in this nation. We also believe a reduction in sales tax and building materials tax, because they are at the manufacturing level, will result in savings passed on to the consumer.

We have gone beyond this and said that in this country we as a party believe the most important part of the economic fibre is the small business community. We recommended in October, 1972, and have reiterated since, that there must be a program designed to provide incentive for the small businessman. We have talked about tax credits. We have talked about being able to invest and receive credit for one's investment on a tax basis or