

cases the relative advantage of working as against drawing unemployment insurance or welfare provides no incentive. Many individuals are financially better off not to work—or at least not to work full time.

The net result is business and moral chaos. Dress and garment manufacturers cannot hire needleworkers because potential employees can make more on unemployment insurance while doing piecework at home for cash. Tobacco growers could not get enough help to harvest the crop without hiring illegally, under assumed names, young people who were already in receipt of unemployment insurance. Tomato growers could not hire students at \$20 a day to harvest their crops. Florists cannot hire workers to tend their greenhouses. Farmers are selling dairy herds because they cannot compete with unemployment insurance. These are some of the symptoms of distortions in our economy, Mr. Speaker. The root causes are deeper. Since 1970 there has been inadequate demand to provide enough jobs for everyone. The big powerful companies and their equally powerful unions have used their monopolistic or oligopolistic power to their own advantage and to the detriment of the weak. Small businesses and non-union labour have been unable to keep up. They, along with the old age pensioners and others living on fixed incomes, have been squeezed unmercifully. The maldistribution of income both regionally and vertically between citizens not only remains but has been exacerbated. Some people were so naïve as to believe that the Department of Regional Economic Expansion would achieve miracles. But with its subjective approach to decision making, how could it hope to succeed.

• (1220)

My makeshift lectern, Mr. Speaker, consists of nothing but press releases and reports from the Department of Regional Economic Expansion telling us how much money it has spent and how many jobs it has created, or so we are told. But the jobs have evaporated. In December 1968 there were 152,000 unemployed persons seeking work in Quebec. In December 1972 there were 206,000 unemployed persons seeking work in Quebec, 54,000 more unemployed people in that province than when the Department of Regional Economic Expansion was established. Hundreds of millions of dollars down the drain, and for what?

In some cases money was given to businesses to do what they had planned to do in any event. In other cases, the departmental assistance merely resulted in moving unemployment from one part of the country to another at the taxpayers' expense. In these circumstances, how dare the Minister of Transport (Mr. Marchand) say that the criticism levelled at him and his former department was based on anything other than gross incompetence.

At the same time that the minister was doing his inadequate best to create a few new jobs through the Department of Regional Economic Expansion, the government wiped out a larger number of jobs with its restrictive monetary policy. It was this schizophrenic approach to economic policy which Eric Kierans, and others, could not stomach. The shortage of aggregate demand caused by the tight money policy persists to this moment in spite of the government's best efforts. This is not news. No reliable forecaster has suggested that full employment was

#### *The Address—Mr. Hellyer*

just around the corner. No government spokesman has been so bold as to suggest that it is. But in spite of this, the government is still running a crisis operation without benefit of long-term planning.

As long ago as last June, the provincial premiers warned that policies to provide additional job opportunities would have to be launched at once to be effective in the winter months. Yet, notwithstanding this unanimous warning, the government procrastinated. Once again its makeshift programs were too late. The LIP program and the training on the job program were too late for efficient administration. The result is waste of precious funds, Mr. Speaker; inefficient, frustrating waste. I was interested to note that the Liberal speaker who preceded me agreed with my analysis.

On the more positive side, Mr. Speaker, it is somewhat encouraging to see the government's new-found interest in small business. The Minister of Industry, Trade and Commerce (Mr. Gillespie) reminds us that 60 per cent of the Canadian labour force is working for establishments having the essential characteristics of a small business. Under the circumstances, one might wonder why this sector has been so badly neglected until now.

The package of assistance outlined by the minister is quite impressive on paper. I hope it will produce results. Anyone who is experienced in small business is entitled to be a bit sceptical, however. It would take a tremendous boost to compensate small business for the hurdles which have been placed in its way. Our tax laws, especially death duties, discourage entrepreneurship. Our chartered banks are unduly concerned with potential losses from small business and consequently adequate financing is not readily available in many cases. And in this context, an uneven monetary policy and periodic reliance on monetary restriction have put thousands of small businesses into bankruptcy unnecessarily. On top of this, several levels of government are driving small businessmen up the proverbial wall with the number and complexity of laws and the paper work accompanying them.

I would just like to read one letter in support of that contention, Mr. Speaker. It is a letter addressed to the hon. Minister of Labour (Mr. Munro), dated December 7, 1972, "Re: Statistics Canada". It is as follows:

Dear Sir:

I wish to register a complaint regarding the activities of the above agency.

Recognizing the need for providing our government with information concerning the operations of Canadian business and the wages paid, I have conscientiously endeavoured to comply with all requests of the above agency covering a period of some twenty-five years.

However, during the past two or three years, businesses have been deluged with an ever mounting variety of forms, many of which ask for the same information previously supplied.

The latest outrage is Form ES24 which calls for wage information covering the period August 1971 to July 1972, which has already been reported on a monthly basis on Form ES-1A for the past several years.

For your further information the following forms all relate to wage information demanded by the above agency: