

sion (Mr. Marchand), has been paying lip service. He has referred to their great program of bringing these areas up to the Canadian standard. Let us see what has happened in these areas as a result of the government's policy of fighting inflation by throwing people out of work.

• (8:20 p.m.)

We have been worrying in this House about an unemployment rate of 6.5 per cent, but let us see what is happening in the Atlantic area. In the Moncton *Transcript* of January 14, an article on its front page is captioned, "16,000 Lose Jobs in Atlantic Provinces." It points out that unemployment in December went up to 54,000, compared with 42,000 in the preceding month. The seasonally adjusted rate, which is the rate the minister tell us to use, was 8.8 per cent, compared with the national average of 6.6 per cent. That is the figure for the Atlantic area as a whole. The article also reads as follows:

The Atlantic unemployment rate for last December was exceeded in the nation only by Quebec where the rate was 8.4 per cent of the labour force.

That is an unadjusted rate. The sad part of all this is shown when we look at the size of the labour force which in the Atlantic area has also declined. Either people gave up looking for jobs or left the region and headed for other parts of Canada where they thought things might be better. The most shocking figure I wish to emphasize this evening is contained in the caption to another article on the front page of the newspaper, "18.8 Per Cent Jobless in Moncton Area." It reads in part:

G. C. Robinson, acting manager of Canada Manpower in Moncton, reported today 18.8 per cent of the working force of Moncton and surrounding areas is unemployed.

Yet here we have the Minister of Finance telling us everything is fine and that although these people are out of jobs, they will get unemployment insurance, they will get Canada Pension Plan benefits, and all this and that. How can one tell this to people in an area where one in every five of the work force is unemployed? This is worse than anything I have experienced in my time, and it is probably worse than the hungry thirties.

In December, 1966, there were 3,279 people unemployed in the Moncton area, and by December, 1970, this figure had increased to 8,748, some 2½ times the 1966 level. How can we in the Atlantic area accept the bland assertions made by the government, through the Minister of Finance and the Minister of Regional Economic Expansion, that everything is fine, we should just be patient, the economy is on the upturn, we must not worry, and everything will be all right in the spring? Our worry is that by spring the unemployment figure in the Moncton area will be 25 per cent instead of 18.8 per cent. The situation probably will be worse because the next two months are usually the worst months of the year. These figures illustrate the emptiness of the government's policy in trying to control a national problem by over-all national fiscal and monetary policies. It fails to recognize that the country is made up of five distinct economic

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areas and that what is good for one area is not necessarily good for another.

As a leading economist has said, the burden of maintaining price stability seems to fall particularly heavily on the poor. A recent study carried out in the United States has concluded that while some of the poor may be seriously hurt by inflation, more of them are hurt by high unemployment. It has been said many times, Mr. Speaker, that the federal government is fighting inflation on the backs of the unemployed. I add that it appears willing to fight inflation on the backs of the slow growth areas of the country.

I appreciate the difficulties under which the Minister of Regional Economic Expansion is labouring. Here he is, starting out with a great policy for the economically depressed areas of the country, but every time he makes some move to create a few jobs in the Atlantic area, one of his colleagues gives him the back of his hand and takes action to lay off as many people as he has created new jobs for. It is no wonder that not long ago in this House he remarked plaintively that some of his policies will not work unless we can achieve a healthy national economy, and that there is no use pumping in money on a regional basis when the government is taking action that negates all his efforts.

The most recent illustration of what is happening in the Atlantic area is contained in the announcement by Air Canada that it will lay off 400 employees. Here again, this is a government organization, a Crown corporation, that has consistently shown a profit over the last four or five years. Its net profit, after taxes, in 1966 was just under \$3 million, in 1967 it was \$3½ million and it increased to over \$8 million in 1968. Even in 1969, when its revenues were seriously reduced by strikes, the company showed a net profit of \$1½ million after taxes. We do not yet have the figures for 1970 so we can only take in good faith the company's assertions that revenues are down, expenses are up and they must cut down on expenses. But what if it loses money in 1970? Why should a Crown corporation be treated differently from a private corporation?

For the last six months or so the Minister of Finance and his colleagues have been hammering away at private business, trying to force it to hold price increases down and making pleas not to lay off employees in view of the tightening economic situation. Private businesses have co-operated very well, in fact to the point where they are now faced with declining profits. Why should Air Canada or any other Crown corporation receive preferred treatment compared with private business? Why should this company, which has consistently shown a profit, be allowed to use a mythical statement which to my knowledge has not yet been presented to this House, and because of these estimated figures say it must cut down and that it will lay off so many employees?

In Saint John, Mr. Yves Pratt, chairman of the board of Air Canada, brushed off the lay-offs very lightly by saying they represented only 2.55 per cent of Air Canada's total labour force. Here again is the fallacy that what is good for Canada is good for the Atlantic area.