

*Alleged Non-Support of Employment Programs*

in the economically depressed Atlantic provinces. She called for a direct infusion of funds to combat the effects of high unemployment of their welfare systems. Mrs. Robertson suggested a novel approach to provide extra funds to any province where unemployment rises above the national average. While Mrs. Robertson said that the minister had not turned her down, she expressed concern about the delay in acting because the province's needs were immediate, and when national unemployment is high, regional unemployment is much higher.

When addressing the constitutional conference a few days later, the premier of New Brunswick amplified the remarks that Mrs. Robertson had made. In pointing out the difficulties that a province with high tax resources has in combating exceptional costs, he stated that in a reasonably depressed area, the unemployment problem has two dimensions. There is the chronic long-term problem at home the current problem of high unemployment which exists because of national policies. He said:

In New Brunswick, unemployment rates have been too high for too long. Not since 1953 has our annual average rate fallen below 6.5 per cent.

• (5:00 p.m.)

He then went on to talk about the current situation. As he said, we find ourselves in an unusual position. A program intended to combat inflation is at the same time causing serious unemployment. As the premier said, we did not cause inflation. This is true of regionally depressed areas. These areas do not contribute to national inflation. Yet now, in the premier's words, we are paying a disproportionate price in combatting it in Canada; the cost of the trade-off between inflation and unemployment has been too high. The premier went on to emphasize once again, as we are seeking to do in this debate, that unemployment has been deliberately created by this government in the pursuit of a policy which has in some cases doubled welfare costs. It is, therefore, up to the federal government to reimburse the provinces in respect of these expenditures.

If anyone had been in my province in the month of January, he would have read almost daily reports from a provincial task force on social development. The hearings held by this task force demonstrated more clearly than I can the plight of the poor in New Brunswick. For example, it received testimony that 53 per cent of the residents of Laviolette and Allainville in Gloucester County were on the social assistance rolls in one way or another. How on earth can a municipality with a very limited tax base handle welfare costs when 53 per cent of its residents are on welfare?

The hon. member for Winnipeg South Centre (Mr. Osler) told the House that we on this side do nothing but complain all the time without offering any constructive advice. I was surprised to hear him make such a statement. As I observed in an aside, who would listen? To me, the greatest tragedy is the fact that the government considers itself omnipotent and will not accept suggestions made to it. The government has consistently refused to accept advice. I can understand its reluctance to accept advice from the opposition, but what about the opinions

[Mr. Thomas (Moncton).]

expressed by large numbers of leading bankers, businessmen and economists who have consistently told the government that it was committing economic overkill and that it should try to put more people to work by adopting realistic tax policies which would encourage the private sector to expand.

Here we are in the midst of a whole new set of economic indicators—high interest rates along with high savings and high exports. Yet we are also faced with the highest unemployment figures in history. In the face of this changing economic picture the government has clung to outdated theories and consistently refused to accept advice. Is it any wonder that we on this side are inclined to criticize rather than offer advice, since we know that our advice would be ignored just as the advice of all thinking Canadians is ignored?

How different is the approach of President Nixon in the United States to this dilemma. I am no apologist for President Nixon and I do not say his theories are necessarily right, but I do want to draw attention to the difference in approach. At least, President Nixon sees that the old economic theories are not working and is prepared to try something new. I should like to quote a few excerpts from the State of the Union address. The president said he wanted Congress to take action on more than 35 pieces of proposed legislation which were still waiting to be passed and that there were six areas which he felt were critical to the nation. The most important of these, he said, was welfare reform.

The present welfare system has become a monstrous, consuming outrage—an outrage against the community, against the taxpayer, and particularly against the children it is supposed to help. Now we can honestly disagree, as we do, on what to do about it. But we can all agree that we must meet the challenge not by pouring more money into a bad program but by abolishing the present welfare system and adopting a new one.

A little later on in the speech comes what, to me, is the "meat" of the president's approach:

Let us also establish an effective work incentive, an effective work requirement. Let us provide the means by which more can help themselves. This should be our goal—

The second great goal is to achieve what Americans have not enjoyed since 1957—full prosperity in peacetime.

Here, President Nixon is opening new fields of economic activity.

The tide of inflation has turned. The rise in the cost of living which had been gathering dangerous momentum in the late sixties was reduced last year. Inflation will be further reduced this year. But as we have moved from runaway inflation toward reasonable price stability, and at the same time, as we have been moving from a wartime economy to a peacetime economy, we have paid a price in increased unemployment.

And here are words of advice for the government, which excuses itself on the ground that at one time or another the situation was even worse:

We should take no comfort from the fact that the level of unemployment in this transition from a wartime to a peacetime economy is lower than in any peacetime year of the sixties. This is not good enough for the man who is unemployed in the seventies. We must do better for workers in peacetime and we will do better.