

*The Budget—Mr. Lundrigan*

Ottawa. Instead of coming with gold, frankincense and myrrh, this new man came with a cosmetic kit. Basically, what we got last Monday evening was another cosmetic kit.

The new Minister of Finance would not talk about unemployment rates. We asked him to tell us what the rate of unemployment was that the government would tolerate. His reply was that he would not talk statistics but intended to talk in human terms from now on in respect of unemployment. He said the government would not be satisfied until every Canadian who was willing to work had a job. Everyone on this side of the House felt on many occasions that we had a new glamour boy who was going to do a job across Canada and that this new Minister of Finance really meant business.

Until last May 8, members of the House of Commons and the Canadian public were half convinced that the prognosis and the prediction of the new Minister of Finance might come true. He was suggesting that we were again turning a corner, to quote the hon. member for Verdun (Mr. Mackasey) who sits now, lonely and deserted, in the front benches. That hon. member made a significant contribution in one way to which I will refer in a few minutes. We were again turning a corner, this was the suggestion of the Minister of Finance. He indicated that we were going to control inflation and solve the unemployment problem.

The Minister of Finance predicted substantial increases in employment in the manufacturing sector. The end result was that from May to December, 1972, there was a reduction of 1.6 per cent in employment in the manufacturing sector of the economy. In the previous year, when we had no Turner budget, we had an increase in employment in the manufacturing sector of .53 per cent.

It was that the minister's new budget would have a dramatic, perverse effect on the economy of Canada. That is exactly what happened. In that sector of the economy which he talked about stimulating, the situation got worse. Toward the end of the year the government made predictions about employment and inflation. I do not need to refer to inflation because the statistics are obvious and need not be put on the record again.

Last Monday night everyone knew there was to be a new kind of budget to cure the ills of the Canadian nation. Everybody anticipated that the Minister of Finance had a pocketful of money. Nobody knew it better than the hon. member for Verdun. That hon. member, who was previously minister of manpower and immigration, knew that even though his unemployment insurance scheme cost \$2 billion, it would not bankrupt the nation. As a matter of fact, some say it was fortunate for the Liberal party that this \$2 billion got into the economy. Had it not been ingested into the economy we might very well have had another 100,000 Canadians out of work.

With that kind of contribution to the just society, we can thank the hon. member for Verdun for what happened. He was one of the few humanitarians left in the cabinet. I shall be watching that hon. member and other members on that side of the House to see how they vote tonight. I am aware of his feelings and I am confident that he will show Mr. Turner, through his vote, that he does not believe he went far enough in stimulating the economy.

[Mr. Lundrigan.]

Let us see what happens. We are all conscious of this feeling, so let us see how they vote.

Last Monday night we knew there would be something of benefit to Canada. We welcome the increase in pensions and the tax adjustments of a beneficial nature. As the hon. member for Provencher has said, we have a Canadian economic anatomy that is undernourished. Perhaps this is an allegorical analogy that indicates all kinds of defects. Our economy is basically undernourished and plagued by government overspending in areas such as Information Canada and others. We have an economic rupture in the Atlantic region, an economic ulcer in Quebec and a general malaise across the whole nation. On Monday the Minister of Finance presented a budget which will keep this nation's economic anatomy in the same malnourished condition in terms of regional disparity.

In case there is an hon. member in the House of Commons who is not aware of what has happened to unemployment rates since the Liberal party took office in 1968 under this Prime Minister, let me place on the record a few statistics that show the seasonally adjusted rates across Canada. In 1967 we had an unemployment rate of 4.1 per cent. In 1968 that rate increased to 4.8 per cent. In 1969 the rate was 4.7 per cent, in 1970 it was 5.9 per cent, in 1971 it was 6.4 per cent and in 1972, after last year's expansionary budget, it was 6.3 per cent. That is an increase from 4.1 per cent to 6.3 per cent in a period of six years—a 50 per cent increase in the unemployment rate in this country.

In the Atlantic region, with the new regional economic expansion project, that two-pronged effort to gain equality and eliminate regional disparity, in 1967 the unemployment rate was 6.6 per cent. The next year we had an increase to 7.3 per cent, the next year it was 7.5 per cent, the next year 7.6 per cent, the next year 8.6 per cent, and last year it went up to 9 per cent. That indicates the result of the efforts of the Department of Regional Economic Expansion in the Atlantic region. Even with the Organization for Economic Co-operation and Development, this government has not been able to come up with any positive regional development policy in the last four or five years.

Lest anyone thinks my attitude is predicated on the fact that I am from the Atlantic region, let us look at the figures for the province of Quebec. In 1967 we find an unemployment rate of 5.3 per cent, in 1968 a rate of 6.5 per cent, the next year 6.9 per cent, the next year 7.9 per cent the next year 8.2 per cent, and in 1972 a rate of 8.3 per cent. This shows a steady increase in the level of unemployment since 1967. If I can add correctly, this shows an increase of 3 per cent in the rate of unemployment in the province of Quebec.

Without putting all the statistics on the record, we find for the province of Ontario an increase from 3.1 per cent in 1967 to 4.8 per cent in 1972. In the prairie region the rate of unemployment went from 2.3 per cent to 4.5 per cent, and British Columbia—a province that had not heard of unemployment for a number of years—had an increase, from 1967 to 1972, from 5.1 per cent to 7.6 per cent. These are the national averages up to 1972.