

When we see that during the first quarter of 1971 inflation has soared upward by 1.2 per cent and unemployment remains uncomfortably high at around 6 per cent, this is quite a victory. The continuing large number of persons who are unemployed during 1971 points to a stagnation of the Canadian economy. The cost of the programs that the government insists on bringing in to revamp the entire social welfare system, whether people like it or not, will have to be met by many of those people who are starting to question government spending. I am just wondering who is going to have nerve enough to stand up and tell the government it must cut its spending and also cut taxes. I am wondering what would happen and how much support one would receive across the country. The outlook for 1971 would appear to be an unemployment rate fluctuating around the 6 per cent mark, a level we in this party find unacceptable, plus a cost of living index which will hit 4 per cent over the year if the present rate of increase continues.

• (4:50 p.m.)

The continuing large number of persons unemployed during 1970 and 1971 has a long-term dimension as well. The extremely rapid growth of the Canadian labour force requires the creation of an immense number of new jobs, about 1.3 to 1.4 million by 1975 to attain the full potential of the Canadian economy. To get this number of new jobs, the Canadian economy will have to grow at a rate in excess of 6 per cent per year. Dr. Haviland, a senior economist with the Economic Council of Canada—I am sure the minister is aware of him—has stated that a growth rate which taps the full potential capacity of the Canadian economy, about 5.25 per cent a year, is needed just to prevent existing unemployment from worsening. Since 1967, the Canadian economy has not been growing toward its full potential.

What I am trying to say is that a higher priority must be placed on the expansion of the economy in order to provide a higher level of employment throughout Canada. Only in this way can we develop a sufficient tax base on which the government will be able to finance the social programs it is attempting to implement at this particular time. We have made suggestions in this regard. We must get the economy moving. We have talked about the 3 per cent surtax and the 11 per cent sales tax on building materials. We have talked at length about the white paper on tax reform. We are pleased to note that as a result of the dogged efforts of the Leader of the Opposition (Mr. Stanfield), the Minister of Finance (Mr. Benson) now has second thoughts about many areas of that white paper on tax reform.

We are all waiting now to find out just what the minister has in mind. We cannot continue having programs suggested by the Minister of Labour (Mr. Mackasey), the Minister of National Health and Welfare (Mr. Munro) and others, which will increase taxes to the average Canadian. I understand the Minister of Finance wants a big chunk of the worker's dollar. I do not know how much we can spend. I wish these ministers would get together in order that we might know the combined total of their requirements. We might then have an atti-

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tude as to how much the Canadian people can stand. I have in mind taxation from the municipal level right through all levels of government in all the provinces and the implications of such taxation. I also have in mind taxation on the part of the "big daddy" who perpetually wants to put his grubby hands into my pockets. We, as politicians, are going to have to start taking notice of what is happening.

We must create a climate in which we can have full employment, or employment in the neighbourhood of the level suggested by the Economic Council. What does the Prime Minister (Mr. Trudeau) have to say about this? Let me quote from an article by Richard U. Needham dated April 5, 1971 under the heading "The gospel according to Pierre".

An hon. Member: Oh, come on.

Mr. Alexander: I heard someone laugh, and I do not know what he is laughing about. I hope he is going to get up later on and make his own speech rather than sit there needling me. I should like to know what you have to say, knowing you come from an area which is sufficient in terms of work people. I want to know whether you think it is all right that we should have an extension of unemployment—

Mr. Speaker: Order, please. The hon. member should address the Chair.

Mr. Alexander: I am sorry, Mr. Speaker, I got carried away. Let me return to this article headed "The gospel according to Pierre" of April 5, 1971. I quote from this article in which Mr. Needham states:

—Pierre Trudeau stated them with exceptional candor at Niagara Falls over the weekend, telling an audience of businessmen that they would have to become accustomed to the idea of large-scale unemployment—"if you want a highly developed technological society, you will not easily get full employment."

And then Mr. Needham goes on to state, and I refer this, through you, to my hon. friend:

One might comment on this that Japan and West Germany have full employment—over-full employment—in a highly developed technological society. Both these countries have far more jobs standing open than they can fill. One might also ask whether Canada is, or has prospects of becoming, a highly developed technological society; aren't we still by and large, producers of raw and semi-processed materials? But let it slide. What Mr. Trudeau is saying is that we must accept high unemployment rates (right now, one worker in ten) as a necessary part of life.

I was prepared to think that the Prime Minister was attempting, in all seriousness, to say something in depth. Let me again quote from this article:

Finally, we must note the Prime Minister's suggestion that people should not be compelled to work; they should do so only as, when and if it suits them. He agreed that Ottawa could use young Canadians (rather than West Indians) to get in the harvest; or it could send them to Northern Ontario, where the mines need workers—"We can do this if we are willing to do away with a free society. But if you have a free society, you will have a tendency for unemployment to rise."

The message is clear. Where people are free not to work, free to be supported without working, a rising number must be expected to make use of that freedom. They will constitute a new leisure class, which the rest of us—the minority, it would