

with the problem of university graduates in the speech to which I referred a few moments ago. He pointed out that this is one of the most serious problems facing the country. It is not only a problem of students but graduates of universities and community colleges who are looking for permanent work. Dr. Dymond said:

The overwhelming governmental emphasis on—forestalling summer student unemployment—to the almost complete exclusion of the more fundamental problem of unemployment among graduates, means that the problem has either fallen through the cracks of federal provincial jurisdiction, or that the ordering of governmental priorities is seriously distorted.

This is not the opinion of a person who can be simply dismissed as not knowing what he is talking about, nor is it the opinion of a partisan politician. It is the opinion of a former assistant deputy minister in charge of manpower programs for the federal government. Dr. Dymond further pointed out:

—the “combined rate of increase of post-secondary graduations—that is, graduates of universities and community colleges—has been of the order of 448 per cent. . . . Employment of this group has increased . . . about 200 per cent over the decade.” . . .

In other words, barring a miracle of sorts, there is no way that all our young graduates are going to find jobs in the near future . . .

—Dymond says that the university graduating class of 1971 is about 75,000, some 7 per cent more than graduated in 1970.

Dr. Dymond pointed out that the community colleges have increased their graduating classes by about 15 per cent over last year. It is virtually impossible for these people to find jobs. I have come across a number of cases in my own city of Winnipeg—I am sure I am not alone in this experience—of people graduating from universities and returning to community colleges for further education. Why? Because there is no work and because the community college will, hopefully, give them a more specifically directed kind of training than they have had. What a perversion of the original objectives of a community college, for some who has received university and postgraduate training, the most expensive training in education by the most qualified people in this country, to return to the community college for further education because they cannot get work! It is a disaster and a disgrace. As I said a few moments ago, it is a crime against the young people of this country.

No country in the western industrial world has the rate of unemployment which we have in Canada. In Great Britain, the rate of unemployment a couple of weeks ago was just over 3 per cent. We know that in the local elections and by-elections which took place in Great Britain last week the British people demonstrated very clearly, by overwhelming victories for the Labour opposition party, that they would not stand for 3 per cent unemployment. I say to the government that the people of Canada will not stand for 7.8 per cent unemployment which we had in April of this year.

The government brought about this high rate of unemployment because of its fear of inflation. This afternoon we listened to the speech of the Minister of Manpower and Immigration. He dealt with the dangers of inflation. The government's policies of restraint kept the cost of living increase to less than 2 per cent last year. As we

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predicted at that time, and as the economists are now telling the Senate Committee on Finance every day, no country can avoid what is a world wide phenomenon, namely, worldwide inflation. In the first four months of 1971 there was an increase in the cost of living in Canada of 1.8 per cent. If calculated for the year 1971, that is an increase of 5.4 per cent in one year. Moreover, there is no indication that the rate of increase in the cost of living is slowing up.

This year we have the worst of both possible worlds, high unemployment and high inflation. Economist after economist appearing before the Senate Committee on Finance has been condemning government policies. Professor Barber, head of the department of economics at the University of Manitoba, in testimony which he gave a few days ago told the Senate committee that last year we lost about \$8 billion in production because we were operating with over 6 per cent unemployment for the whole year. I do not know Professor Barber's politics, but he cannot be very anti-government because the government appointed him to head the commission to study the high cost of farm implements.

What can be done? I say to the members of the government that they ought to make full employment the No. 1 priority in Canada for 1971, not full employment two, three or five years from now. A full employment program can be financed by genuine tax reforms. Members who wonder where the money will come from should look at the speech made yesterday by the hon. member for Duvernay (Mr. Kierans), former Minister of Communications, when speaking to the Canadian Economics Association. This speech was reprinted in full today in the *Montreal Star*. They will see that in 1968, the last year for which figures are available, according to the calculations of the hon. member for Duvernay the metal mining companies in this country made a book profit of \$1,707 million though their taxable income amounted only to \$222 million. In other words, they were taxed on only 13 per cent of their profits. Other mining companies showed a book profit of \$374 million but their taxable income was assessed at only \$120 million. They were taxed on 32 per cent of their profits.

● (8:30 p.m.)

The manufacturing industry paid tax on 64 per cent of its book profits, and the retail trade paid tax at the rate of 90 per cent of its book profits. The money is there so we ought not to hear the story that we cannot afford to do the things which are required in order to create full employment. We need to reform the tax system, but I do not have much hope that the Minister of Finance (Mr. Benson) will propose to do so when he brings forward his budget this month. We need to make those who can afford to do so pay for what is required in this country, the mining industry, the oil industry and the gas corporations which, as I pointed out, do not pay their fair share of taxation.

We ought to pump money into the economy, not by adopting Social Credit theory which the Minister of Manpower and Immigration suggested we were advocating but by increasing the income tax exemption to \$2,000 for