

*Employment Programs*

alleged fight against inflation. It is the government which has deliberately slowed down the economy and which is responsible for this growing unemployment, as well as for an increasing number of business failures. They are responsible for the fact that many small businesses, even if they have not failed, find themselves under extreme economic and financial pressure.

The Prime Minister said some time ago that he was prepared to accept 6 per cent unemployment as a consequence of his policies against inflation. Well, on a seasonally adjusted basis he already has a rate of 6.5 per cent as of October and on an actual basis he is likely to get between 9 per cent and 11 per cent, and even higher in some areas during the coming winter. The so-called fight against inflation about which the Minister of Finance and the Prime Minister have been talking has proved a disaster for hundreds of thousands of ordinary Canadian workers.

• (3:10 p.m.)

This disaster has also been felt by families. Everyone who has studied unemployment figures knows there are large numbers of people who are not taken into account but who are nevertheless out of work. For example, women who stop trying to get into the labour force; young people who give up in despair at trying to get a job. The likelihood is that this winter there will be not 750,000 to 800,000 unemployed but much closer to one million—certainly 900,000. Add to this the dependants of those who are unemployed, and this winter there will be without exaggeration between two to three million people who are either out of work or suffering from the loss of income of those who have no jobs.

We warned the government that their policy would result in this kind of disaster for the people of Canada. I suggest disaster is not too strong a term when we consider what we can look forward to this winter. All over the country welfare rolls have been climbing. In every major industrial city, the welfare budget has been exceeded. In Toronto alone \$22 million more than was budgeted for has been spent on welfare. The same is true in the borough of York and surrounding areas. When I speak of Toronto in this context I am talking about metropolitan Toronto, not merely the city of Toronto. The same is true in other parts of the country, as some of my colleagues will no doubt point out. Again, the burden of the government's policy has been thrown on those who are least able to bear it, namely municipal governments who have to squeeze their provincial government for additional revenue to meet expanding welfare costs as a direct result of the policy of this government to increase unemployment.

All of this has direct relationship to the troubles in the province of Quebec that we have been discussing in this House for the last weeks. In one of the speeches I made I said—this was also said by my leader and other members in this House—that while no one has suggested that the people in the FLQ are concerned merely, as they claim, with social justice, it is nevertheless true that small groups of self-styled revolutionaries would not have

dared do the kind of thing the FLQ did were it not for the social and economic circumstances in Quebec that gave them encouragement. We have all admitted these are twisted men and women with criminal psychologies, people who require the kind of attention the Police are giving them and ought to have given them a long time ago.

If I may quote my previous words, were it not for the frustration of the young, the despair of the old and the hurt of the unemployed, there would not have been the soil in which to plant the seed of the FLQ. If there had not been these conditions, the FLQ would not have evoked any sympathy at all; they would have been detested by everybody and would not have attempted what in fact they did attempt. When you have despair, unemployment and depressed economic conditions, you are inviting disaster and unrest of one sort or another.

This situation must be added to a history of economic distress and inequality. The young Quebecois can look at a history over a large number of years of being unable to get the same job as an English-speaking Canadian or to climb to the same heights; a history where the average wage in the province has traditionally been below that of the province of Ontario; where out of 77,000 jobs created in 1970, 49,000 were in the province of Ontario and only 3,000 in the province of Quebec. Now we have the prospect of unemployment this winter on an increasing scale. With such a history as this the government, indeed this Parliament, is just begging for trouble. This is why this subject is of such immediate and important concern to me, and I am sure to all members of the House.

I am trying to finish within my allotted time, so I shall not elaborate further on that subject. Let me pass on to another matter. The heartbreaking fact in the present situation is that there is not much one can do in November that will affect unemployment figures for January, February or March. As economies function, there is always a time lag of six months to a year before any investment begins to produce employment or an expansion of the money supply begins to improve the economy. The same is true of fiscal and other policies.

This government has sat back with the knowledge that there is not very much they can do at this time, in November, to ease the tragedy of the next several months. What is equally true is that the government's attention was drawn to this fact six or eight months ago. Indeed, I remember asking the Prime Minister about six months ago a question based on the proposition that he and I both knew that there would be a time lag before any improvement in the economic situation could be felt, and that therefore he ought to start to ease the money supply, lift the constraint on public expenditures, so that any action that he took then would have some useful and substantial benefits this winter for the unemployed. I remember my leader asked that question, and the Leader of the Official Opposition (Mr. Stanfield) also drew the attention of the government to this matter.

I suggest that even a child at school who had studied even to a slight degree the subject of economics would

[Mr. Lewis.]