

federal and provincial governments, in the business community, in labour circles, among economists and in the academic community that the prospects for higher unemployment are now very great and that heavy unemployment will continue, not just through the winter but into and possibly through the whole of 1971.

● (8:20 p.m.)

I say to the Parliamentary Secretary to the Minister of Labour, who said that we had nothing concrete to offer, that we have said for the last two years that in choosing to make the increasing cost of living a more important issue than rising unemployment the government was making the wrong choice and we would wind up with both a higher cost of living and higher unemployment. In fact, we have been proven correct, as have the academic economists who have argued to that effect even longer than we have.

A very conservative estimate of the situation, made by a leading academic economist who I saw about a week ago, is that we will have this winter a seasonally adjusted rate of unemployment of more than 7 per cent and that the picture for the whole of 1971 will run at not less than 6 per cent, seasonally adjusted. Unemployment in Canada rose from 314,000 last year to 419,000 in October of 1970. That is an increase of 33-1/3 per cent. It is little comfort to the 419,000 unemployed to tell them that more people are working than ever before; it does not help them to meet the bills they have to pay in order to live.

In Quebec, unemployment rose from 135,000 in October of last year to 159,000 in October of this year. The economist whom I have consulted estimates that unemployment in January of 1971 will be 789,000 and in February of 1971 it will be 811,000—9.8 per cent of the labour force, or a seasonally adjusted rate of 7.2 per cent. That is not very far from the calculations which Mr. MacDonald, president of the Canadian Labour Congress, made recently and which the Prime Minister (Mr. Trudeau) derided so stridently the other day.

What do these national unemployment figures mean? We have been spending most of the time since the House reconvened this fall discussing the problems of Quebec. Every Member of Parliament is concerned about the violence, the bombings and the kidnappings with which Quebec has been afflicted. We in this party who have been critical of the government's reaction to the events in Quebec, and who have been told that we do not understand Quebec because we do not have a Member of Parliament from that province—and of course we do not—do know that a seasonally adjusted unemployment rate of 7 per cent nationally means 9 per cent unemployment in Quebec.

Quebec has consistently had 20 per cent to 50 per cent higher unemployment than the Canadian average and an unemployment rate about twice as high as that of the province of Ontario. Quebec, which contains 25 per cent of the Canadian population, has consistently had about 40 per cent of the unemployment. When you realize that four out of ten unemployed people in Quebec are under

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25 years of age, you appreciate the dimensions of the problem.

The Prime Minister recently said in a television interview that one of his main objectives was to get the people of Quebec to choose between federalism and separatism. I say—and I say it with a good deal of regret—that given the unemployment among young people which I have mentioned, it is not surprising that the young people of Quebec in the last election seemed to opt so heavily for the Parti Quebecois. If we want to do something to maintain federalism, it is not good enough to say, as the Prime Minister and the Minister of Finance have said so often, that heavier unemployment is just one of the side effects we have to face in dealing with the problem of rising costs.

What about the future of Quebec? Mr. Bourassa in his election campaign promised that he would produce 100,000 new jobs by the end of 1971. But this year only 3,000 new jobs were produced in the province of Quebec, compared with the fact which was pointed out by Dion Cohen, who writes a column in the *Toronto Star* every week, that in each of the next ten years the Quebec labour market will grow by 75,000 workers a year.

To cut unemployment in Quebec to 6 per cent, which is still intolerably high, Quebec would need to attract about \$7 billion in investment every year for the next ten years. That is a goal hopelessly out of the reach of that province, on the basis of past performance, without very great assistance from the federal government. Yet we have a federal government which is concerned about federalism and simply says, "We cannot do anything about Quebec or about unemployment because we have to deal with higher prices."

The large increase in unemployment has meant sharp increases in welfare costs in cities in every province of Canada. It is true that half the costs are paid by the federal government, but this is of little consolation to hard-pressed taxpayers at the municipal level. Every city and every province in Canada which budgeted for sharply increased welfare costs this year has found that despite those increases in the estimates, they put much too little into their budgets to meet the increased costs of welfare. The skyrocketing costs of welfare are to a large extent the result of rising unemployment.

We have been told we have offered nothing concrete in the way of programs to deal with the problem of unemployment. As I indicated earlier, that of course is not true. We have said for the last two years at least that it is impossible for Canada to do much about the rising cost of living when inflation has gripped every country in the western world. Canada buys more from the United States and sells more to that country than any other country with which we deal, and when the U.S. is gripped by inflation it is simply nonsense to think that we can check inflation in Canada.

We warned the government that its policy of restraint and deflation would mean higher unemployment and difficult living conditions for the working poor and those on fixed incomes such as pensions and welfare. This, of course, is what has happened. We have been saying all