

the number of people who have been unemployed for six months or more has risen from 54,000 in January of 1970 to 108,000, more than double, in January of 1971. For these people the economic policies of the government of Canada have turned into a major disaster. I give the Leader of the Opposition (Mr. Stanfield) credit for the tour he made last month in which he visited the unemployed. Apparently, the Minister of Finance cannot take the time to do the same thing. If he is not sufficiently impressed by the gravity of the situation, by the fact that his own son was unemployed within the past year, I would suggest to the minister that he at least read the newspapers of any city in Canada. If he did so, he would understand how hard ordinary, honest and willing-to-work Canadians are trying to obtain work. He would see that many people who have had jobs for five, ten or twenty years have been laid off in these recent winter months and he would appreciate the difficulty they have in meeting their mortgage payments, rent payments, the cost of food and clothing, the cost of prescription drugs and everything else they require in this year 1971.

What has been the result of the abnormally high unemployment which has been deliberately introduced by the government of Canada? If we compare Canada's gross national product at the 1970 rate of unemployment with what it would have been had we had full employment—and I am talking about full employment which the economists calculate to be represented by their conservative figure of 4 per cent unemployed—we see that we have lost between \$5,000 million and \$6,000 million in production. Such an increased gross national product would have brought to Canadian governments, federal, provincial and municipal, an extra \$1½ billion to \$2 billion in tax revenues which would have permitted these governments to finance programs which would have paid the cost of providing full employment for Canadians. People who are still working seem to feel that since they are working they need not be concerned about the problems of those who are unemployed. I am glad to see the Minister of Regional Economic Expansion (Mr. Marchand) has entered the chamber. Once upon a time, before he became a minister, he had some understanding and some feeling for the needs of the ordinary citizen and the unemployed people. He seems to have lost that feeling, but it is good to see him here.

• (4:00 p.m.)

What people who are working fail to realize is that the increase in unemployment which we face in Canada has led to sharp increases in welfare costs at all three levels of government, costs which these governments can only meet by increasing the taxes which they collect from the ordinary taxpayer. Payments made by the federal government to the provinces under the provisions of the Canada assistance plan in 1969 totalled \$420 million. In 1970 these payments rose to over \$500 million, and I have been told by sources which I know to be reliable that the federal government estimates for their payments under the provisions of the Canada assistance plan for the year 1971 show that the cost will increase to almost \$700 million, that is an increase of 40 per cent over the payments in 1970. In Ontario, the payments will rise from

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\$159 million to \$198 million, and in Quebec they will rise from \$147 million in 1970 to \$238 million in 1972. These increases will be paid for by the Canadian people through increased taxes. There is no other way in which they can be paid.

The situation facing local taxpayers at the municipal level is even more gruesome. In metropolitan Toronto, the cost of welfare will rise from \$50 million in 1970 to \$75 million in 1971. In my own city of Winnipeg, costs have gone up from \$3,900,000 in 1969 to \$5 million in 1970, and the estimate of the officials in the welfare department of that city is that in 1971 the cost of welfare will be \$6 million. In Hamilton, costs have gone up from \$1.5 million in 1969 to \$1.8 million in 1970, and it is estimated that they will be \$2.5 million in 1971. In Windsor, in 1969 the costs were \$1.6 million, and in 1970 they were \$2.27 million. In prosperous Calgary, welfare costs went up from \$200,000 in 1969 to \$450,000 in 1970, and the estimate for 1971 is \$550,000.

I have been talking about the actual costs to the cities which the local taxpayer must pay. I have not been talking about the amounts of money paid by either the federal or provincial governments concerned. So, the increased unemployment which we faced last year has been financed by those people who are still working for wages and salaries in the cities which I have mentioned. These cities are not alone in facing this problem; they are simply a small sample of what has happened in every city in Canada in the years since 1969.

What can we do about this? It seems to me that what the Parliament of Canada should do is to commit itself to a policy of full employment. This can be achieved if we really set out to attain that goal. It can be achieved if the government rejects the bad advice which it has been given from its economic advisors, from the Governor of the Bank of Canada, from the deputy minister of finance and from the chairman of the Prices and Incomes Commission, and will face up to some of the things which can be done. If the government will stop being mesmerized by the fear of inflation and by the fear of deficit financing, this goal can be achieved.

Let me briefly list a few of the things which the government can do fairly quickly in order to move toward full employment. I suggest that the government should decide immediately to increase unemployment insurance benefits. As the cost of living has gone up, it has become increasingly difficult, if not impossible, for workers laid off through no fault of their own to live and to meet their expenses at the present rates at which unemployment insurance is paid. I suggest that eligibility for unemployment insurance should be made easier immediately, and I suggest that the seasonal and supplementary benefits paid under unemployment insurance be increased immediately. On May 15, the seasonal benefits paid to thousands of workers across Canada will cease automatically, and welfare costs in cities such as Montreal, Toronto and Vancouver will immediately move up at an astronomical rate.

Second, I suggest that the federal government should immediately agree to increase the payments it makes towards the cost of welfare paid to employable unem-