

A STATEMENT ON UNEMPLOYMENT IN CANADA

PREPARED FOR

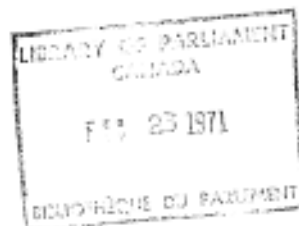
THE FEBRUARY 1971

FEDERAL-PROVINCIAL CONFERENCE

BY THE

HONOURABLE HARRY E. STROM

PREMIER OF ALBERTA



The Alberta Government has consistently argued that if the price of eliminating inflation is the creation of unemployment, the price is too high.

If the price of eliminating inflation is slowing the growth rate of the country, particularly of its rapidly developing regions, like Alberta, then the price is too high.

It is not now, and never has been in the national interest to retard the diversification of growing areas. Canadians will no longer accept the outworn and outdated economic theories of the federal government. To meet the challenges of the seventies will require new approaches. The traditional emphasis in Canada which relies on boom and bust cycles should now give way to a policy of regular and controlled expansion of the money supply. The total money supply must equal the total goods and services available in the country.

Canada's unemployment is now at its highest point in twenty-five years and is still rising at an alarming rate.

The federal government's indiscriminate skirmish against inflation has not left pensioners and others any better off. What has it done then? It has merely succeeded in pushing hundreds of thousands of Canadians to the brink of disaster.

We now have suffering, enforced idleness and depressed economic conditions when we should be creating new job opportunities, encouraging business activity and developing a climate of growth.

Federal government policies of austerity imposed to fight inflation have cut buying power on the home market, slowed down economic activity, created mass unemployment, deepened regional disparities, aggravated the recession trend, and caused incalculable hardship on thousands of Canadians.

The federal government's approach to economic development is to designate "poor", "well-off" and "rich" regions and to pour money into the first, to ignore the second, and to penalize -- as with the deferment on capital cost allowances -- what they consider to be rich regions. They attempt to upgrade the poor regions by heavily subsidizing industry to locate there and by equalization payments between provinces.

In terms of equalization payments between provinces, we are caught in a dilemma. We are prepared to recognize that our immense resource wealth should be shared with all Canadians. For this reason we have contributed to equalization payments because

this system is the only one that all the provinces and federal government have been able to agree on to date. But we are highly critical of this system because again it is based on statistical averages and not on the real poverty experienced by real individuals which is the basis on which meaningful equalization payments should be made. In other words individual Canadians wherever they live, should be assured of decent minimum standards. It is individuals who experience poverty or unemployment, not regions.

Given our approach, every Canadian could be sure of a decent existence; every province would be required to develop programs best suited to the potential and needs of its particular geographic area; and every industry would be encouraged to build and locate itself on the basis of efficiency.

The Alberta Government stands for provincial responsibility and authority. We stand for free enterprise and equal opportunity. The Alberta Government calls for:

- (1) an end to discriminatory and punitive measures against expanding and growing provinces;
- (2) a re-orientation of federal programs away from regions and toward assisting individual Canadians wherever they live;
- (3) an abandonment of economic policies which have demonstrated

their total inadequacy, particularly those policies which have led to unemployment;

- (4) a new policy of regular and controlled expansion of the money supply to enable orderly and stable growth in the Canadian economy;
- (5) development of immediate co-operative ventures to stimulate a climate which will create new jobs.