

● (1822)

I have referred to this Quebec decoy because around noon yesterday, when speaking in Quebec City, the Minister of Finance spent most of his time trying to point out that economic conditions in Quebec were basically due to this question of separatism and that, somehow or other, the federal government should not be called to task. In effect he was trying to indicate that if there is a slow transportation problem at the present time we should not look to him with respect to the train wreck—they created the train wreck but, somehow or other, the minister thinks that is a convenient excuse to take people's minds from the real hard fact that it is the government's economic policies that got us into trouble in the first place.

Yesterday the Minister of Finance stated that we cannot let the question of national unity hang unanswered without serious economic consequences that will persist and mount. I challenge that, Mr. Speaker. For the last seven years, at least, the government has been told by reputable economic forecasters that there is a problem in this country which will be heightened if action is not taken.

For example, in September, 1970, the report of the Economic Council of Canada stated as follows:

Unemployment has risen rapidly in 1970 to about 6½ per cent by mid-year, from the already relatively high average level of close to 5 per cent in the two preceding years.

It also stated:

We regard recent and current rates of unemployment as unacceptably high. Canada probably now has the highest rate of unemployment among the more industrially advanced nations, even after allowance for the differences in the bases for unemployment estimates. The current rate is about double the medium-term target for Canada suggested in our Sixth Annual Review.

In its conclusions appears the following:

A major concern of this report is that the Canadian economy has fallen significantly below its potential.

They take a paragraph to point out that if the economy is not restored to its potential—something over a 5 per cent growth rate—unemployment will grow. The fact is, this government has failed in those very crucial seven years which have elapsed since September, 1970. In September, 1970, inflation was 2.8 per cent, and even then the Economic Council said it was unduly high. In September this year it was 8.4 per cent. Unemployment was 6 per cent in September, 1970, while in September this year it was 8.3 per cent. We actually had a cash trade surplus as far as our current account was concerned in trade in 1970 of \$1.1 billion, and this year it is estimated at about \$5.3 billion.

It is time the government gave us the targets it is shooting for. It is time it took some action to relieve the unemployment situation that has become so chronic and, I would suggest, is helping to trigger separatist feelings in Quebec. It has not taken those steps so far, Mr. Speaker. To that end I would point out once again that in their most recent report issued last month the Economic Council of Canada said:

If our projections are correct, the extra \$150-million federal winter works projects and the new \$100-million employment credit program—two measures

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announced by the Minister of Finance in October—will not be sufficient to bring about the reduction in either youth or adult unemployment that is needed. Additional measures, at both levels of government, are likely to be necessary in both 1978 and 1979.

The question that faces us this evening is just that. What measures does the government propose over and above anything that has been suggested to date? What, in fact, does it see for the unemployment level in 1978? It is time we had those answers. I am disappointed that the Minister of Finance is not here tonight to give us his version of what he sees for unemployment in this country next year.

**Mr. Ed. Lumley (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, in the first place, contrary to what the hon. member states, the OECD does not request that member countries specify a certain unemployment rate target. Our target for unemployment is quite clear. It is the reduction of the unemployment rate to a level at which anyone who really wants to work will be able to do so.

● (1827)

The hon. member said the minister had placed most of the blame for unemployment on the uncertainty of the political climate in Quebec. Though I am sure that while most hon. members will agree that this is an important factor, the minister enunciated a number of other important factors in the unemployment situation. In a statement made to the House of Commons on October 20, the Minister of Finance (Mr. Chrétien) pledged himself to doing whatever could reasonably be done to ensure that everyone who really wants to work can find a job. He also agreed that the current unemployment rate of 8.3 per cent is too high. But everyone must realize that there are simply no quick and easy answers to the solving of our unemployment problem.

**Mr. Stevens:** You have had ten years!

**Mr. Lumley:** In his use of selective statistics the hon. member consistently draws attention to all the negative aspects. He has forgotten that Canada has one of the finest records of any of the industrialized nations of the world. For example, I refer to job creation. This government has created twice as many jobs as the second leading nation.

**Mr. Stevens:** We are talking about unemployment.

**Mr. Lumley:** The hon. member persists in concentrating on the negative aspects. He will not acknowledge the positive achievements.

Given the uncertainty of the future, it should be clear it is not reasonable to forecast any precise numerical value of the unemployment rate. There are too many unknowns. The economy is large and complex, with the final outcome depending upon all our actions, as well as upon those taken by our trading partners and others. For its part, the government believes it has gone to the limits of its financial resources in order to do as much as it can toward creating an economic environment where it will be possible to achieve some improvement in our present unemployment situation over the course of