

*Economic Policy*

doubt of the fact that the seasonally adjusted unemployment rate of 7.9 per cent announced yesterday by Statistics Canada for February is one of the highest monthly rates in many years. High unemployment surely is a source of concern, but must not give rise to a general panic. I am convinced that hon. members opposite do not plan on using those figures for such a purpose. It is essential that we all understand the reasons for such high unemployment and the steps which the government is taking to reduce it and to prevent it from rising again.

I wish to point out in the first place that the rise in the seasonally adjusted unemployment for the January-February period can be ascribed to a single factor; the considerable increase of people looking for employment. There is a fact which has remained unnoticed all through the discussions about the problem, that is the substantial increase last month in the number of Canadians who are effectively working; that number has increased by 25,000 or 0.3 per cent, seasonally adjusted, between January and February.

● (2110)

Without trying to make any forecasts, I want to emphasize that if employment keeps growing at the same rate during the next 12 months, the number of jobs by the end of next February will have increased by 300,000. In spite of the severe winter we just had which proved disastrous for a number of industries, particularly those employing mostly males and in spite of the increasing unemployment rate in the United States, we have seen very substantial improvements in the employment picture in February. The seasonally adjusted figures show that employment remained at the same level or went up in six out of the ten Canadian provinces. These improvements showed up mostly in the socio-cultural, commercial and personnel services and in the business sector.

We would, of course, welcome a stronger trend in employment growth, but, clearly, the unprecedented unemployment in February is far from being as catastrophic as prophets of doom would have us believe. The increase in the seasonally adjusted unemployment rate is due to a sharp increase in the number of new arrivals in the labour force which went up by 74,000 between January and February. This is an extremely sharp increase from one month to another. It would not be an exaggeration to say that no economy in the world could absorb such a sharp increase in its labour force.

I should also make it clear that we had a similar increase in the labour force in January. As a result, the net increase in the number of job seekers amounted to 161,000 between December and January. On the basis of those figures, it can thus be said that the seasonally adjusted increase in the new labour force participants will reach 966,000 after one year, which is a tremendous increase. New participants can certainly not keep on entering the labour force at such a rapid rate. One must not be fooled by the unemployment rate recorded in February and I would be less than honest towards the House if I said that I or the government are totally satisfied, with the employment trends of the past year.

[Mr. Portelance.]

We are all aware of the fact that Canada, like the United States and our European trading partners has experienced a somewhat slow industrial growth. The strengthening of the Canadian economy has been real, but not sufficient to absorb the very substantial and constant increase in the labour force. Even though the growth outlook in the private sector for the forthcoming fiscal year continues to be promising, however, it will be very difficult to bring the rate of our economic growth above that of our growing labour force.

It is with this in mind, as well as the problems with which we might be confronted in the forthcoming year, that the Minister of Manpower and Immigration (Mr. Cullen) last October announced the implementation of the first stage of our employment strategy, to alleviate unemployment over the next few years. Under this strategy, some \$350 million will be spent, in addition to the enormous amounts allocated to the training, employment and mobility programs by the Department of Manpower and Immigration. It will be a lot more than a band-aid approach as some hon. members have termed this strategy.

I wish to mention for instance the increasingly needed job incentive programs, such as the Canada Works Program, with \$200 million, the Young Canada Works Program, with \$30 million, the Summer Job Corps Program, with \$10 million, and other direct employment programs for students during the Summer. The strategy also provides for a number of other longer term measures which will greatly help Canadians to find jobs not only this year, but also in the forthcoming years.

One of the most important of those measures is the additional \$19 million which has been provided for the Occupational Training Program, for which \$10 to about \$70 million have been earmarked for the next fiscal year. The strategy also includes our new Job Experience Training Program, through which business will be able to hire (during winter and summer) young people who cannot find a job on the labour market and to provide them with relevant practical training and experience. This innovative program, which will be implemented jointly with Chambers of Commerce across the country, might very well turn out to be one of the most effective means available to us to fill the gap between school and the labour market. I expect that this year, some 7,000 young people will take advantage of the Occupational Training and Experience Program.

However, our immediate job will be to provide meaningful and productive employment for the great number of people entering the labour market. This is why, in addition to an employment strategy for 1977-78 with a \$350 million funding, the Minister of Manpower and Immigration announced last fall supplementary estimates in the amount of \$100 million for LIP projects this winter, which would bring the program's funding to \$200 million and provide, as I said, for the creation of jobs lasting until June for tens of thousands of Canadians. LIP projects are a definite contribution to community infrastructures, they create thousands of extra jobs and help the people involved to acquire and maintain good work habits. Although the major part of the program's impact on employ-