

*Government Monetary Policy***SUPPLY**

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

UNEMPLOYMENT—GOVERNMENT MONETARY
POLICY AND DEBT MANAGEMENT

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, last week we learned that on January 15 in this country 10.8 per cent of the labour force were out of work; that this was the highest level of unemployment for any month since the war, indeed for 20 years, and that it is the highest level of unemployment reached in any western industrialized country.

It is indeed, Mr. Speaker, a sad and worrying situation to the members of this house and particularly, I believe, to the Minister of Labour, who has a special responsibility for employment matters. It is no help in finding ways and means of alleviating this situation to have ministers of the crown travel around the country and, instead of putting forth positive proposals to deal with it, making sneering remarks about the attitude of the opposition when these figures, so distressing to everybody, are brought forward in the house. The other day the Minister of Trade and Commerce, who I am sorry to say is not in the house today, had this to say in a speech at Arnprior:

It is refreshing to see a man like President Kennedy face the facts before the nation.

It would have been even more refreshing after three and one half years to see the Canadian government not only face these facts but do something that would deal effectively with them. Until recently the government refused to see these facts, so obviously it was difficult for them to deal with them. In early 1960, when we on this side begged for action in this situation, which was serious enough then, we got reassuring statements from members of the government and we got criticism ourselves for daring to bring these matters forward as prophets of doom and gloom. The budget speech of the Minister of Finance last April is the best example of that kind of reaction.

Mr. Fleming (Eglinton): It was in March.

Mr. Pearson: In March; I beg your pardon. More recently, Mr. Speaker, we have had the Prime Minister's refusal to agree that the session called last autumn was in any sense a special session to deal with the emergency of unemployment, which was denied at that time. At present we have an obstinate and persistent denial to admit the existence in this country of any recession, even though it

began a year ago and even though the President of the United States is not afraid to use that word in connection with his own country, where the situation is not as difficult as it is in this country in terms of unemployment and in certain other respects. Apparently, however, the order has gone out to change the tune in regard to ministerial statements, and this "go with the snow" motif has been dropped for the time being at least.

Mr. Martin (Essex East): Except by the Minister of Finance.

Mr. Pearson: The Minister of Trade and Commerce, in his speech at Arnprior a few weeks ago which I have already mentioned, had this to say:

We are facing a difficult time and things are going to get worse before getting better.

The Minister of Public Works made the same statement, and over the week end the Minister of National Revenue said the same thing in London, that things would probably get worse before they get better. I should warn these ministers that on the basis of their own reactions to statements made on this side they are leaving themselves open to the charge of doom and gloom, of giving aid and comfort to the communist enemy, as one minister of the crown interpreted statements made from over here not so long ago.

Well, Mr. Speaker, the words, or some of them, may be a little more realistic now, but these words are not yet being followed by action in any way adequate to the present situation. Even the relatively timid proposals of the baby budget of two months ago are not yet implemented.

Now the government is apparently attempting a new tack by admitting the seriousness of the problem of unemployment, which indeed it is hard for them to deny in the face of the facts, but by placing the major share of the responsibility for doing something about it on everybody else but themselves. As the *Ottawa Citizen* of February 2 said in a headline to a statement by the Minister of Trade and Commerce, "Hees Blames Canadians for Slow-Up".

The Minister of Labour has recently suggested that the government has certainly done its share in meeting the problem, and that further action must now come from labour and management. Over the last three years, Mr. Speaker, we on this side have put forward and have repeated suggestions regarding economic and fiscal policies which in our view and the view of many outside the house would have combatted unemployment and combatted recession.

Mr. Campbell (Stormont): What suggestions?

Mr. Pearson: What recession?