

The Address—Mr. Douglas

Some of these factors are due to external forces beyond our control but most of them are cases where the responsibility can be traced to the weak policies of the government and its reluctance to intervene in the economy with the necessary vigour, imagination and long range common sense.

If we are to progress as a viable and expanding nation in Canada's second century there are seven goals which we believe the government and the parliament of Canada should set for this nation. In the time at my disposal I can mention them only briefly. First, there must be greater economic growth and increased productivity. The Economic Council of Canada points out that between 1957 and 1965 Canada fell \$21 billion short of its potential production. That is \$1,200 per capita or \$6,000 for a family consisting of a husband and wife and three children. Had we been able to maintain across Canada the same unemployment rate in 1966 as obtained in the province of Ontario, 2.4 per cent of the labour force, we could have increased Canada's wealth production by \$650 million.

The O.E.C.D. report points out that the output per man employed in Canada from 1960 to 1965 was lower than in any other member nation except Great Britain where the figure was 2.5 per cent. In Canada it was 2.6, in the United States, 2.9 and in Japan 8.3. The average for all the O.E.C.D. countries was 3.7 per cent. Had we had that rate of economic growth the increased wealth production would more than have paid for all the economic programs that the Minister of Finance (Mr. Sharp) said would cost \$900 million when we proposed them in the house during the last session of this parliament. In 1965 Canada's gross national product increased in real terms by 6.9 per cent. However, in 1966 it increased by only 5.9 per cent. That is a loss of over \$500 million of wealth we did not create, wealth we did not enjoy.

• (12 noon)

The second goal we must set for ourselves is full employment because only by full employment can we hope to have adequate incomes for the great mass of the Canadian people. The Economic Council of Canada says we must keep our unemployment figure to a maximum of 3 per cent. It is now running around 4 per cent, and most economists are predicting that this year it will be about 4½ per cent. The last figures obtained, I think on March 18, show 400,000 unemployed in this country, with unemployment in some areas

much worse than in others. The government is not grappling with this problem.

The training and retraining program is ineffective. The Minister of Manpower and Immigration (Mr. Marchand) has already built for himself a bomb-proof shelter against future attacks by saying that we must depend on the provinces to supply the training facilities. By loading on the provinces the responsibility for upgrading educational qualifications of unemployed persons, and by making the provinces responsible for supplying the facilities for vocational training and retraining, the government has put the major part of the burden on the provinces and now hopes to evade its responsibility. I warn members of the government that the people of Canada will not allow them to evade their responsibility in this manner. It is a disgrace in a country which needs homes, schools and hospitals, which needs reforestation and anti-pollution measures, that we should have 400,000 unemployed persons at any time of the year.

The third goal we must set for ourselves is price stability. Where economic growth has been experienced inflationary pressures have stolen back from people some of the gains they have made. Every once in a while the Minister of Finance assures us that the economy is cooling off. It is cooling off because we have deprived old age pensioners and other people on fixed incomes of part of their real income. Every time the cost of living goes up their standard of living goes down. We are cooling off the economy at the expense of the section of the economy which is least able to carry the burden.

Some hon. Members: Hear, hear.

Mr. Douglas: In its annual review the Economic Council of Canada said that we must set 2 per cent as the maximum increase in prices per year. In 1965 prices went up 2.8 per cent and in 1966 4.6 per cent. According to the figures which came to our desks just this morning the price index rose from 143.2 in April, 1966, to 147.8 in April, 1967, an increase of 4.6 points.

This, Mr. Speaker, is the most inequitable form of taxation. Inflation puts its hands into the pockets of the people and takes \$4.60 out of every \$100 from their savings accounts, from their insurance, from their pay cheques and from their old age pension cheques.

The government has been content to depend on the Keynesian techniques of monetary and fiscal policies. We believe those policies by themselves are not sufficient and that