

The Budget—Mr. Orlikow

has dropped to 6.2 per cent. I do not want to embark upon a discussion as to whether changes in the method of calculation have had any effect in the drop, but let us assume that 6.2 per cent is the actual seasonally adjusted rate. Only a government headed by a group of millionaires, with a Prime Minister who has a computer where his heart should be could be happy about an unemployment rate of 6.2 per cent seasonally adjusted and ignore the real plight of three-quarters of a million or more unemployed.

The government has set up a straw man for the people of Canada. Having got this country into a situation which no other industrialized country in the world is facing with an unemployment rate of 8 per cent, it then tells the people of Canada that things are going to be better, and that since things are going to be better in the coming year it ought to ignore the mess that Canada is in at the present time.

If one looks at the seasonally adjusted figure, one soon observes that in the past four months the actual reduction in the percentage of unemployed has been only 0.4 per cent. If one keeps in mind that the number attending manpower training courses is higher than it had been, and that in the past 12 months the strike at General Motors had a very serious, though temporary, effect upon the whole economy of Canada, then one realizes that in fact there has been very little improvement in the rate of unemployment.

For the past two years the Minister of Finance has been insisting that the major problem facing this country was inflation, not unemployment. As a consequence, the government has adopted a deliberate policy of slowing down, of deflating, the economy. The Prime Minister (Mr. Trudeau) said a year ago that he was not going to be deflected from his anti-inflationary policies even if we had to face a figure of 6 per cent unemployment. Newspapers sympathetic to this government, such as the *Toronto Star*, felt it incumbent upon them to criticize the Prime Minister for that callous statement, as they should and as the Prime Minister deserved. In fact the actual unemployment rate is not the 6 per cent the Prime Minister spoke about, but is 8 per cent.

● (3:50 p.m.)

If we take into account the trends as they develop in the course of every winter, next month when the figures for February come out we will have not 668,000 people unemployed but rather somewhere around 725,000. The Prime Minister and the Minister of Finance (Mr. Benson) are proud of the fact that last year's price increases in Canada were among the lowest in the world. They speak about this constantly. However, they do not tell us, and they do not tell the Canadian people, that the inevitable result of the policies they followed in creating this situation has been that Canada has the highest rate of unemployment of any industrialized country in the world. According to the newspapers, Great Britain is facing the heaviest unemployment it has faced since before world war II. What is that rate of unemployment in Great Britain? It is 3 per cent compared to our 8 per cent.

[Mr. Orlikow.]

It is interesting to compare the rates of unemployment in countries in western Europe for the year 1969 with the rate in Canada. In Germany, the rate of unemployment was half of one per cent. In Sweden, it was 1.9 per cent. In the United Kingdom, it was 2.2 per cent. In Italy, the rate was 3.1 per cent; in Belgium, it was 3.3 per cent; in the United States, it was 4.1 per cent, and in Canada, it was 4.4 per cent. Since that recent fairly pleasant period of 1969, compared with other countries Canada's rate of unemployment has increased substantially. Had the government pursued its policies of combatting inflation more vigorously, then instead of having the three-quarters of a million unemployed people we now have we probably would have one and a quarter million unemployed. In addition, instead of having the cost of living increase by 1½ per cent in the past year we would have had an actual reduction. That, of course, is a stupid suggestion but it is no more stupid than the policies followed by the government for the past two years.

We are told by the Minister of Finance and the Prime Minister that the prospects for 1971 are much better and that unemployment, like the snow outside this building, will disappear in the next couple of months as the warm weather comes. Well, these statements by the Minister of Finance and the Prime Minister are just as incorrect as the statements they have made over the past two years based on the advice they have received from their economic advisers such as the Governor of the Bank of Canada, the Deputy Minister of Finance and the chairman of the Prices and Incomes Commission. These advisers have consistently underestimated the unemployment figures and today are overestimating the prospects for reducing the unemployment. According to academic economists in Montreal and in Toronto, who have been much closer to the actual results in their estimates during the past couple of years concerning unemployment, the seasonally adjusted rate of unemployment for 1971 will continue at 6 per cent for the whole of this year.

This means that for January and February of 1972, the unemployment figure which is now running between 650,000 and 725,000 will shrink somewhat, but probably only to something in the neighbourhood of between 525,000 and 550,000 people. That figure is completely unacceptable as an unemployment figure in a country as rich in resources and manpower as is Canada. Only people who live in ivory towers, such as the Prime Minister, the Minister of Finance and their economic advisers, can take comfort from the statistics we have received from the Dominion Bureau of Statistics and the estimates with regard to unemployment for the next 12 or 15 months. Mr. Speaker, they have forgotten, if they ever knew, what it means to be unemployed. They have forgotten, if they ever knew, what it means for a worker, whether a machinist, an electrician, a carpenter or a labourer, who is accustomed to living relatively comfortably on a weekly wage of \$100 or more, to have to manage for months or years on unemployment insurance or on welfare.

Perhaps I might refer again to the figures given to us today by the Dominion Bureau of Statistics. We see that