

Government Monetary Policy

Canada as a whole and in every region in Canada this year, as compared with the same time last year, there has been a staggering increase in the number of people who are unemployed expressed as a percentage of the working force, the figures being 10.8 per cent for Canada as a whole; 14.9 per cent in the Atlantic provinces; 13.9 per cent in Quebec; 8.5 per cent in Ontario; 7.5 per cent in the prairie region and 13.3 per cent in the Pacific area.

Even if we go back only one year we find that this is undoubtedly the result of a kind of ministerial myopia on the part of the Minister of Finance when he presented the budget of last year. *Hansard* is full of warnings given by members of this house to the government in office over the last three or four years. The newspapers and economic magazines, including the *Financial Post* and others, are full of warnings to the government of Canada dating back over the last two or three years that an economic crisis was developing and that it would probably reach its full force and effect some time in the winter of 1960-61, and that is the winter we are in now. But our shortsighted Minister of Finance, obviously with the complete endorsement of his colleagues, refused to heed these particular warnings. Rather than heed them and listen to them, he was more prepared to be a gambler and gamble with the very lives and welfare of the workmen in industry and their wives and children, and place blind reliance on the fact that prosperity might be just around the corner.

This was the gist of the budget in 1960, that everything looked rosy for the future. The Minister of Finance still wore the rose-tinted, visionary glasses to which the hon. member for Timmins referred some time ago. The unfortunate thing is that in this gamble of the Minister of Finance the only thing he could lose was his seat and the seats of his colleagues. But the workers of the nation could lose their jobs, their incomes, their furniture, their refrigerators, cars and television sets, and in some instances the homes they had purchased on faith in the fact that we would have in Canada a government which would have some sense of decency in regard to their welfare and employment.

Mr. Macdonnell: Mr. Speaker, would the hon. member permit a question?

Mr. Howard: Gladly.

Mr. Macdonnell: The hon. member is covering a great deal of territory with a great many generalizations. He has even used the word "collapse". Could he give us some references or quotations to support these, to me, wildly extravagant statements he is making?

[Mr. Howard.]

Mr. Howard: The one that comes immediately to hand is *The Labour Force* for the week ended January 14, 1961. This is a government publication. The third sentence of this publication reads:

Unemployment rose by 165,000 over the month.

I referred earlier to the percentage figures in this same statement. Rather than wade right through these figures, I have them here in tabular form.

Mr. Macdonnell: I am not questioning the percentages of unemployed that the hon. member gave. This matter is serious. We are all greatly exercised about it. But when he uses the word "collapse" I think that is a very extravagant word. As a matter of fact, several million people in this country are working and are producing a very great many things. The hon. member spoke about three or four years of bad times and everybody warning the government. We had a fairly stable period during that time, and at one time we all thought we were perhaps on the way up to a new boom. I suggest that to refer to a period of three or four years of bad times is just an exaggeration.

Mr. Howard: I have a tremendous amount of respect and admiration for the hon. member, but in asking the question he made the statement that everyone was convinced that things were going well. Such is just not the case, Mr. Speaker. The point I am attempting to get to is this. This was what I consider to be a blind, unreasoning, illogical policy in our present capitalist economic system, and is not in fact a good policy to follow. This is the end to which I am leading.

I used the past three or four years as an example because this government was in office. But we could very easily extend that back to the time the Liberals were in office and the so-called 1949 recession, or rolling readjustment or whatever it was, and the 1953 decline—if the word "collapse" is not generally acceptable—in the economy, and the start of the collapse in our economy in 1957 and 1958.

When the Liberal party was in office it had the same blind, unreasoning faith and did absolutely nothing to deter this slump in the economic cycle. This was because it followed the theory that all we have to do in this type of economy is let business run rampant, let business do as it pleases, provide the sort of economic climate within which business can develop and provide employment, build up industries and expand, and so on and so forth. If this is done they believe everything will be fine and dandy and rosy. But history has shown that such is not the case. Perhaps, Mr. Speaker, I am getting ahead of myself. I did wish to lead into these thoughts