

Government Administrative Policies

the increase of employment in that period is far below the increase in the labour force in the period April to May. From the forecast made by the Economic Council of Canada, there is no doubt that the labour force in Canada will continue to grow at a rapid rate. We know that it will be much greater than at present. There is so much unemployment at present that many people are discouraged from trying to enter the labour force.

The rapid growth in the labour force in Canada is the reason for the forecast by the Economic Council of Canada of a growth rate of 5½ per cent per annum. When this is related to the 2½ per cent forecast in our rate of growth by the OECD, to put it as conservatively as possible, there is no reason to believe that the seasonally adjusted rate of unemployment will be reduced as the year proceeds unless the policies of the government are substantially changed. I ask Your Honour to bear in mind that the amount of unemployment we have today is the result of deliberate government policy. No doubt it will be said that the opposition should make some suggestions as to what might be done to increase the rate of employment in this country. I intend to make some suggestions and no doubt other hon. members will do the same.

The essential point to bear in mind is that the 6.2 per cent seasonally adjusted figure is a direct result of deliberate government policy, yet we have this extraordinary complacency exhibited by the government of Canada. To my knowledge, the ministry has announced only three changes of policy in recent weeks. First, there has been the floating of the dollar and the measures which the minister has adopted with a view to partially compensating for some of the effects of the floating dollar. I am referring to the reduction of the rediscount rate of the Bank of Canada and the increase that the minister announced in payments to be made to the provinces. These are all measures the minister took with a view to upsetting, partially at least, the effect the floating of the dollar might have in increasing unemployment in Canada. These are not measures taken with a view to offsetting the unemployment which had developed already as a result of other policies.

● (3:40 p.m.)

Second, the minister announced he was abandoning the restrictions on consumer credit he had proposed in his budget—of course, it was difficult to take this seriously at any time, anyway. Third, his colleague made some announcement with regard to student

employment; it amounted to an assurance of employment for some thousands of students. But I do not think any member of the government would deny that these measures went very little distance toward offsetting the increased difficulties students find in obtaining employment in the face of an adjusted general unemployment rate of 6.2 per cent, a situation created by the government itself.

As I say, the minister and the government have not made any effective response to the striking rise in unemployment.

Some hon. Members: Hear, hear.

Mr. Stanfield: The most the minister can possibly claim is that he has taken one or two measures which may partially offset the detrimental effects which the floating of the dollar might create. Anything the Minister of Finance has done or announced has been directed to that purpose. I make the charge, and I do not think the Minister of Finance can deny it, that it is the deliberate policy of the present government to run the economy very substantially below par. It is suggested that this is justified. Indeed, it is suggested sometimes that it is necessary in the fight against inflation, though I notice that the Prime Minister in reply to a question this afternoon was certainly not prepared to say that the amount of unemployment we have today is an essential part of the efforts to end inflation. He did say, however, that he was prepared to see unemployment go as high as 6 per cent per annum. We now have a rate of unemployment of more than 6 per cent, seasonally adjusted, and, of course, we all recall that it is the seasonally adjusted rate to which the Prime Minister has, in the past, attached particular significance.

So we are faced with what the Prime Minister says, and what the government does, as well as with the policy of the ministers who are carrying out the main design. I want to put this as plainly as possible. I think it is hard boiled. It is cruel. And what is it doing? I suggest it is not really working. The policy of deliberately running the economy well below its potential as an anti-inflationary measure has not worked recently in any other industrial country in the world. I will refer to a particular example—the construction industry in Toronto where I understand there is substantial unemployment despite the fact that there was recently a costly settlement of a wage dispute. In other words, there is no evidence that the policy of running the economy way below potential has had an anti-inflationary effect.