

In September, unemployment was down to 3.9 per cent of the labour force. No one is happy when anyone is unemployed in this country. I quote another authority, Walter Gordon, who I think will be recognized on the other side of this chamber. In his famous report of 1956 he said that 4 per cent of the labour force unemployed was full employment; and he even quoted some American economists as saying that 5 per cent might well be full employment. That is interesting, because we have heard it said that the Prime Minister's prediction of full employment this summer did not come true. The September figures make it clear that it did.

May I read one more paragraph from the address which interested me? The honourable senator first quoted these words from the Speech from the Throne, which is the subject of this debate:

The purposes of the fiscal measures to be placed before you at this session will be the creation of better employment opportunities for the Canadian people . . . the strengthening of Canada's balance of international payments and the maintenance of stability in prices.

Then the honourable senator asked the following question:

Honourable senators, those are fine words—indeed, a worthy endeavour—but what evidence is there of any action on the part of the Government to give effect to those fine words?

If facts had teeth I believe that the honourable senator might have been bitten, because the evidence was at hand on the three specific points that he singled out.

"Better employment opportunities": The evidence is that, as he spoke, new jobs were being created in this country at the rate of 150,000 a year.

"The strengthening of Canada's balance of international payments": The evidence is that, as he spoke, the very measures he referred to were restoring \$636 million to our foreign exchange reserves, and attaining new all-time records in the expansion of exports which the year before had reached a point where we had a favourable balance of commodity trade for the first time in a decade.

"Maintenance of stability in prices": The evidence is that, again as the honourable senator was speaking, the Dominion Bureau of Statistics was compiling figures which would show an actual drop in the cost of living in Canada in the month of August—and that despite all the statements we heard during the election campaign about the terrible things the stabilization of the dollar was going to do to prices in Canada. I repeat, the cost of living was down in August. Not only

that, if I remember the figures correctly, in the last five-year period the rate of increase in the cost of living has been just over 1 per cent, maybe 1-1½ per cent, as against a more than 2 per cent increase in the previous 10 years.

Hon. Mr. Horner: Is that 2 per cent per year?

Hon. Mr. Grosart: There was a 2.1 per cent per year increase over the 10-year period, 1947 to 1957; and between 1 and 2 per cent—I do not remember the exact figure, but certainly less than 2 per cent—in the last five years.

The Canadian Chamber of Commerce has an official publication called "Canadian Business". In treating a longer period of time, it says this:

A 12-nation comparison of retail price increases over the 12 months up to May this year shows that Canada has been the most successful—

That is, the most successful of the 12 nations—

—in keeping down the cost of living.

The Canadian increase was just under 1 per cent. The United States' was a shade more. Biggest increases were in France, Holland and the United Kingdom, where the cost of living rose by over 5 per cent. In Germany and Sweden it rose by 4 per cent.

These figures relate to one year. I hope those are being worked over by the statisticians of the Common Market, as well by those who like to make unfavourable comparisons between Canada and these countries.

Now, I wonder if any further evidence is necessary. Let me just run over a few headlines, and I shall abbreviate them as much as I can. I think it is important that I put it on record that this is not just one newspaper here or there, or one bank here or there; it is a chorus or cloud of witnesses that I am bringing here to support what I am saying. The President of the Toronto-Dominion Bank, on October 11, said—and I will abbreviate the citations:

The Canadian dollar crisis is over and while some problems remain to be solved, they are not insurmountable.

Then, from John Meyer, financial editor of the *Montreal Gazette*, on October 12:

Enough has been accomplished—in devaluation, import surcharges, export financing—to show what can be accomplished if the process of adaption to the economy's requirements is continued.