

*Government Administrative Policies*

manufacturing industries in Canada in May, 1970 than in May, 1969. The main increase in employment took place in the area of community, business, and personal service, to a total of 158,000 persons. In other words, Mr. Speaker, in all areas other than the areas of services, the total employment in the country decreased during the year.

We have a seasonally adjusted unemployment rate of 6.2 per cent. Despite this figure which, without exaggeration, must be described as shocking we have here—unfortunately, they are not here for this debate—a very complacent government. I am not commenting on the absence of the Prime Minister because he may have some other commitment. However, during the course of the question period, the Prime Minister did not consider it necessary to give any assurance to those who are unemployed that the government intends to undertake proposals in order to relieve their present misery. Unemployment was put forward as a side effect of the fight against inflation. I ask the Acting Prime Minister and the members opposite whether they really believe it was necessary to create unemployment in order to fight inflation.

There are 109,000 persons between the ages of 14 and 19 who are unemployed. This was the figure a month before the high schools closed. There are 395,000 persons between the ages of 20 and 64 who are unemployed. There are 96,000 persons in this country who have been unemployed for seven months or more, well up from a year ago, and 98,000 persons who have been unemployed for a period of four to six months, also well up from a year ago. This gives some indication of the extent which the economy of Canada is running below its potential by deliberate design.

The Economic Council of Canada has estimated that the average economic growth rate in this country between 1967 and 1975 ought to be at the rate of 5½ per cent a year. Admittedly, this does not mean that it has to be exactly 5½ per cent each year. However, this is the average growth rate recommended by the Economic Council of Canada, not only as the potential which the country can reasonably achieve, but the target at which the country has to aim if it hopes to provide employment for the increasing number of people forecast to be coming into our work force each year during this period.

In March the Minister of Finance forecast that the growth rate this year would be between 3 and 3½ per cent. The OECD recently issued a statement predicting the growth

[Mr. Stanfield.]

rate in Canada in the current year will be a mere 2½ per cent. This is another example of the minister's competence or otherwise in the area of forecasting.

**Mr. Benson:** Who can be within one-half of one per cent?

**Mr. Stanfield:** Mr. Speaker, does my hon. friend admit that he was wrong?

**Mr. Benson:** Perhaps the Leader of the Opposition will permit a question. Can he tell me any year in which any government of Canada has been accurate to within one-half of one per cent in forecasting?

**Mr. Stanfield:** The year is not over yet, Mr. Speaker.

**Mr. Benson:** Answer the question.

**Mr. Stanfield:** I do not think I have seen a Minister of Finance make a prediction in March and, within a couple of months, have shown to be substantially off.

**Some hon. Members:** Hear, hear!

**Mr. Stanfield:** I do not know what the result will be at the end of the year. We are simply comparing forecasts. The point is that the forecast made by the OECD shows how far below potential this government is deliberately operating the economy of this country. This unemployment was not created by accident. It is a result of policies deliberately adopted by the government. That is what I am talking about.

Yesterday, the officials of the Department of Finance gave some indication of the enormous cost to the country of the government operating far below its potential for even one year. That calculation was made on the minister's estimate of 3 or 3½ per cent. If we use the forecast of the OECD, the annual loss to this country, which can never be regained, as a result of operating far below the potential is almost incalculable. It is certainly much higher than the officials admit. In addition to this, there is all the suffering and damage being done to the individuals involved. If I am wrong, I hope the minister will deny that the seasonally adjusted rate of unemployment in Canada is now, and has been for some time, the highest of any developed country in the world.

**Some hon. Members:** Shame!

**Mr. Stanfield:** There has been an increase in employment in the period April to May. No doubt much will be made of this. However,