

The Budget—Mr. Benson

steady and sustainable improvement in the real income of Canadians everywhere. This, in turn, requires the fullest possible utilization of the nation's human and material resources. Because of the serious strains imposed in the economy in the past by the long upward surge of costs and prices at home and abroad, the utilization of both our human and material resources at present is below the level any of us would consider desirable.

As I have emphasized on a number of occasions, the government is deeply concerned about the current levels of unemployment existing in this country and the hardship this entails. But I am firmly convinced that, as a result of the strong fiscal and monetary stimulus progressively injected into the economy during the course of the past 10 months, the stage has been set for a substantial improvement in production, employment and real incomes.

In the budget which I presented to the House last month, I pointed out that a development of prime importance was that employment appeared to be rising in Canada and unemployment to be falling when seasonal factors were taken into account. In September of last year, unemployment on a seasonally adjusted basis reached a peak of 6.9 per cent. It declined to 6.6 per cent in October and 6.5 per cent in November. The figures for December, published only last week, show that adjusted unemployment during that month amounted to 6.6 per cent, which was also below the September peak for the third month in a row.

It is important to remember that this decline in unemployment was maintained during the balance of 1970 despite the fact that a substantial number of workers were jobless as a result of the impact on associated industries of the General Motors strike in Canada throughout the whole three-month period. Had that strike not been in effect or had it been settled sooner, unemployment would have been significantly less than that actually recorded. I might observe, in passing, that the General Motors strike south of the border, which also caused extensive unemployment in industries supplying the automotive company, had been settled by the time the labour force survey was taken last month. Nevertheless, unemployment in the United States rose from 5.8 per cent in November to 6 per cent in December, also on a seasonally adjusted basis.

For political purposes, Mr. Speaker, members of the opposition choose to ignore the real, underlying progress that is beginning to be made in reducing unemployment. It pleases them instead to concentrate exclusively on unadjusted unemployment rates and to totally ignore the fact that the actual number of people without work always increases sharply in Canada during the winter months even in the best of times, as I pointed out in my budget speech last month. During 1966, for example, average annual unemployment declined to the lowest level during the past decade at 3.6 per cent. In that year, actual unemployment varied between 2.6 per cent in September, when 205,000 workers lacked jobs, and 5.1 per cent in January, when there were 359,000 without work, a differential of 154,000.

[Mr. Benson.]

The amount of work which can be undertaken in the tourist industry and by farmers, fishermen or construction workers, for example, is severely curtailed in winter by ice, snow and freezing temperatures. Over a period of years, the proportion of the labour force unemployed during the wintertime because of seasonal factors has declined quite markedly. In part, this is the result of the development of new methods that make possible continuation of some kinds of outdoor work. In part, it is the result of the fact that a growing proportion of the labour force is engaged in occupations less affected by seasonal changes. Nevertheless, it remains a fact that during our Canadian winter there are a large number of people who are unable to work at their occupations.

During 1970 as a whole, unemployment in Canada averaged 5.9 per cent, compared to 4.7 per cent in 1969. An important factor which contributed to this increase was the continued rise in the number of Canadians put out of work because of industrial disputes. Since 1962, the amount of time lost as a result of such disputes has been growing at an average annual rate of more than 25 per cent. In the second quarter of 1970 alone, more than three million man-days were lost as a result of strikes or lockouts. On the assumption that each person involved in an industrial dispute results in one other person in a related industry being laid off, industrial disputes in the second quarter alone accounted for some 50,000 persons being added to the ranks of the unemployed. This is quite apart from the strikers themselves, who are not counted among the unemployed. It is estimated that in the absence of layoffs resulting from industrial disputes, average unemployment during 1970 would have been reduced from 5.9 per cent to 5.5 per cent, which compares with the average rate of unemployment between 1961 and 1969 of 5 per cent.

Perhaps the most important single element in our manpower situation is the fact that Canada has by far the fastest growing labour force of any country in the industrialized world. It is, of course, obvious that during the past year the creation of new jobs failed to keep pace with the increases in the size of the labour force. Nevertheless, the increase in Canadian employment during 1970 of 1.3 per cent exceeded that in the United States by a third and was significantly higher than the average annual employment growth of every major European country between 1961 and 1968. In two leading European countries, Germany and Italy, average annual employment actually declined by .2 and .9 per cent respectively during this eight-year period of strong economic expansion.

Mr. Baldwin: Why are people going back to Europe, then, from here?

Mr. Benson: It is not to increase the labour force. Even in the period of moderate economic growth which we experienced last year, it is probable the figures will show that in relative terms Canada led the world in the creation of new jobs for its citizens.

Beginning with the budget last March, fiscal and monetary policies have been geared progressively to promoting