

*Business of Supply*

13 that the house adjourn under Standing Order 26 to discuss the high level of unemployment. At that time he referred to the national disgrace that is the case in Canada when we maintain a national average level of 6 per cent unemployment, which reaches as high as 10.5 per cent in the Maritimes. As I say, the point is not a new one to parliament, but we in this party welcome the opportunity provided by the Leader of the Opposition to discuss it in a very serious way today.

There are a number of causes for unemployment in Canada both in general and in its seasonal aspects. First of all, we have had regional poverty in terms of human skills and geographic factors which have existed for a number of years. These are contributing factors to the problem right now, and neither Conservative nor Liberal governments in the past did anything in a serious way to deal with regional unemployment and poverty. Now, however, there are some encouraging signs that the new Department of Regional Economic Expansion may try to come to grips with the problem.

The second important factor is the dominant role in the Canadian economy played by unregulated, unrestricted private enterprise, not simply traditional private enterprise but one characterized in the consumer production sector by foreign ownership. Incidentally, I would pause at this point to wonder out loud what the Leader of the Opposition would propose to do with this sector of the economy.

The Leader of the Opposition very appropriately referred to the serious situation in Canada where, for example, we lose highly trained Ph.D. students to the United States. But what he did not mention was that one of the important reasons for this is that most of the really serious research and development work in the North American economy is done by firms in the United States which, to a considerable extent, have branch plants in this country but do their major research in the United States, and therefore our competent, ambitious, serious research-oriented students end up with the parent firms. The obvious solution, and it is not an easy one, is to break away from the branch plant economy which we have established in Canada. This means taking very seriously the Canada Development Corporation and a number of proposals put forward in the Watkins report. But the Leader of the Opposition and his party have given no more encouragement to this kind of development than has the Liberal party.

[Mr. Broadbent.]

Government policies themselves are a third important factor in the maintenance of high levels of unemployment. For a period of some 15 years we have had extraordinarily high levels of unemployment, particularly since it must be remembered that we are one of the advanced industrial countries of the world. One of the main reasons for this, agreed to not only by economists supporting my political party but by economists found within government departments, is that governments in this country, whether Liberal or Conservative, have usually dealt with inflation by having policies deliberately intended to create unemployment. We are, of course, experiencing that kind of situation today, and during the past few months a number of speakers from this party have made serious comments on it.

I wish to refer now to students and to the factors causing some of the immediate problems faced by students whether they are in universities or in other post-secondary institutions in Canada. One of the causes is that there are certain long-run technological trends at work. Automation is now doing many jobs in institutions which were formerly left by the companies to be done by students during the summer months.

A second reason is that there has been a fortunate expansion of the trade union movement into new areas, and trade unions quite rightly and understandably want to give preference to unemployed workers in industries where unions have a footing. This means that if a student is looking for a job and a worker is looking for a job the trade unions will certainly give preference, in terms of their contract negotiations, to the unemployed worker. This is both understandable and justifiable.

Another factor contributing to student unemployment is the post-war baby boom to which the Leader of the Opposition referred. Canada is in a unique position right now in the industrial world in having the highest annual percentage increase in young people entering universities and the labour market, and therefore the government is confronted with a serious temporary fact which is not likely to recur in the future. This is not to say that the government is coping with it in any adequate way. In this respect it is interesting to note that the D.B.S. statistics for January reveal the fact that 13 per cent of the unemployed in Canada are between the ages of 14 and 19.