

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.

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.

#### GENERAL EFFECT OF STRIKES

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.

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.

#### MEASURES ALREADY TAKEN

Beginning with the budget last March, fiscal and monetary policies have been geared progressively to promoting a major expansion of the economy as the dangerous pressures of inflationary prices have been brought under control....I would like to outline briefly the measures the Government has taken to turn the economy around during the past nine or ten months. Last March... we produced an expansionary budget, a switch on a cash basis of over \$750 million. In June we increased outlays to the provinces by some \$350 million. Another \$73 million went into a summer employment program for students, and expanded social assistance programs. In August, we pumped an additional \$100 million into the 1970 CMHC capital budget and a further \$140 million in 1971 to finance an additional 15,000 units of low-cost housing. Construction of these housing units is already under way in regions where the need is great and unemployment highest. At the same time there was a special program of \$60 million for capital and other projects in regions of slower economic growth and for manpower retraining.

As I emphasized earlier, we did all these things in stages, as we found that we could responsibly take additional measures consistent with the maintenance of economic stability. By December we determined we could take further action, and we did so. The budget then provided for additional expenditures of \$100 million this fiscal year, and \$400 million in fiscal 1971-72, for a total of \$500 million.

In the December budget, I announced a 10 per cent increase in unemployment insurance benefits, an additional \$23 million for capital improvement projects in areas of highest unemployment, another \$20 million for the development of roads and other local services for the new Montreal International Airport, another \$40 million for CMHC for additional low-cost housing construction on top of the 15,000 units mentioned earlier, loans totalling \$150 million to the provinces for quick job-creating capital projects, an industrial incentives program for south-eastern Ontario and southwestern Quebec, direct loans and loan insurance to the footwear industry, substantial assistance to the shipbuilding industry, and a capital-cost allowance supplement to encourage an early expansion of capital investment in the manufacturing and processing industries. I said then the \$150-million loan program was to encourage provinces immediately to undertake projects that they could not