

Proposed Committee on Unemployment

They do not contradict each other, and each is, I think, valuable for its own purposes, and one supplements the other. I know that hon. members will realize that there are many complications involved in trying to find the measure of those who are unemployed.

Mr. Green: Before the minister goes on will he tell me whether the figure of 524,000 who applied for work is on the same basis as the figure which he gave on January 26 of 338,000 in January?

Mr. Gregg: I have not that figure before me immediately, but the figure of 524,000 which I gave just now is the figure for those who applied for jobs and were listed by the national employment service on January 23, 1954. I think the figure my hon. friend has is the correct one for December 12, 1953.

Mr. Green: In December, 1953, it was only 338,000.

Mr. Gregg: I think that is the correct figure.

One approach that may assist us to place the situation in better perspective is to try and break down those who are unemployed in two or three broad categories, and even those categories may overlap one upon the other. One group includes those workers who are idle owing to constantly occurring shifts of workers between jobs, or who are idle owing to temporary plant shut-down, resulting from break-downs or fires, labour management disputes and so on. A certain amount of this kind of unemployment is not only unavoidable but essential, since it is a necessary part of labour mobility in the kind of changing economy we have in Canada.

Now, this kind of unemployment is referred to by the economists as "frictional" unemployment, as it was referred to in the brief presented by the joint committee of the two labour congresses the other day.

The second kind of unemployment with which we are all familiar—I do not need to talk about it—is that which occurs regularly each year as a result of normal climate changes or other annual recurring changes affecting production and employment. This will be referred to as seasonal unemployment and it is usually met with during our very cold winters, with which everyone is familiar.

Frictional unemployment and seasonal unemployment make up by far the largest proportion of our current unemployment. The remainder results mainly from adjustments in production in response to such factors as shifts in consumer demand, high inventories or keener international competition. These broad distinctions of those unemployed help us to put the unemployment problem which faces Canada today into some kind

of perspective. It helps the public to consider more intelligently the kind of action needed.

My hon. friend referred to the statement which I made to the house last month. I think it is fair to say that it would be wasteful and ineffective to undertake a public works program to deal with unemployment that is frictional in nature or even largely seasonal. This is what I had in mind in my earlier statement to the house when I suggested that a special public works program would not be effective in dealing with our current unemployment problem this winter.

Of course, public works or national projects increase the sum total of employment, but I was thinking of the seasonal unemployment situation in 1954. In the case of what I have called frictional unemployment 220 local offices of the national employment service in all parts of Canada help people to make shifts between jobs as quickly and as easily as possible. During the month of December, that is two months ago, these offices made some 63,000 placements. That was made at a time when seasonal unemployment was closing in. This figure is actually not very much lower than the figure for December, 1952, during which some 73,000 placements were made.

In addition to these local placement activities our national employment service endeavours to bring workers and jobs together over great distances, either on an individual basis or through the organized movement of large numbers of workers. Some of these movements are regularly undertaken in co-operation with the provinces.

There is a minimum amount of this type of frictional unemployment always present in Canada. This is indicated by the fact that even during the high employment months of last summer, and they were high, the number of persons registered for jobs with the national employment service did not fall below 161,000. Seasonal unemployment in our Canadian economy is always high during the winter of course and it reaches a peak in the late months of the winter or during the early spring.

During the years of general manpower shortage during world war II the volume of seasonal unemployment was at a low level. During the post-war years, as economic pressures gradually eased, the volume of seasonal unemployment has increased year by year. The number employed in the country's seasonal industries has also grown year by year.

Another factor is that the woods industry which used to employ large numbers of persons in the winter months has through mechanization and an increase in its activities