

I am very happy to learn that in the month of September our rate of unemployment dropped. I would point out that, as my friend must know, September is a sort of dividing month when the labour force reduces because of the many people who return to their scholastic vocations, and so on, and when construction jobs are being completed, and thereby the rate of unemployment is not unduly accelerated. It is dangerous in those circumstances to try to argue by using statistics for one month, particularly if one does not go back earlier than September of this year. It is true that when the statistics are looked at in the light of previous years an improvement is indicated, but certainly it is not an improvement which would justify the statement that for the past five years we are living, enjoying, and moving about in the greatest of economic upsurges. In that connection, I wonder if my friend has read an article in *Maclean's* magazine, dated November 3, 1962, which states:

Among people who compile and compare unemployment statistics, there is general agreement this fall on only one thing: this winter will be a long and hungry one for many Canadians. But exactly how tough things will get is still anybody's guess, and almost everybody in Ottawa is playing the unemployment numbers game. Predictions: Government economists say that peak unemployment will probably come in February and involve about 8 per cent of the labour force, or around 550,000 men. This is one percentage point lower than last year's peak, and is an optimistic forecast.

I am very happy that even on those figures there is a little room for optimism as against previous years; but I say in all seriousness there is no room for the kind of optimism that whirls around on the economic merry-go-round, proclaiming that this is the greatest ride we have ever had and that greater things are still to come. I have to look at trends. I have not that eye that my friend appears to have in undue measure because I am a little envious that he is able to make a mountain out of a molehill as well as he does.

Next, my friend in discussing the greatest period of prosperity overlooked a number of things. I guess they were unimportant from that lofty position up yonder, but down here we remember and are mindful of some things that we are still living with. We recall devaluation, we recall the emergency that it precipitated—and the description "emergency" is one that was applied by the Prime Minister himself. I recall austerity, and the connotation of austerity, where we imposed surcharges on already high tariffs with the

avowed purpose of reducing imports so as to establish some better relationship between exports and imports.

There are many other things I recall in that connection. I still recall our huge force of unemployed. I recall our deficits, persistent deficits, and how my friend dealt with these in a very casual way. In effect he said, "Yes, we incurred deficits but we gave a lot more money to the people of Canada in welfare benefits, and we gave a lot more money in payments to the provinces".

Well, on the question of payments to the provinces do not let us forget that I have been the one voice in this chamber for a number of years—and fortunately the Prime Minister heard me at some stage—opposing any taxation by the federal authorities the proceeds of which were going to be handed over to a provincial authority. In my submission, and it is still my view, there should be a direct link between the authority that imposes the tax and the one that spends the money—they should be the same people—and then the expenditures might be more cautiously made, and the taxpayer would be more alert as to knowing who was really putting the bite on him for his tax dollars. Be that as it may, I look at all these things in perspective: devaluation, emergency, unemployment, the continuing situation of having to meet substantial balance of payments, and our exports, which are now on the increase. As to exports, I remind you that the Leader of the Government (Hon. Mr. Brooks) said in his speech that he found it favourable that for the first seven months of 1962 exports to all countries were up 11.3 per cent over 1961.

He found that noteworthy and a thing to praise. I agree it is noteworthy and is a thing to praise. It means more domestic employment in connection with the production of those goods for export, but the connotation in which you must look at exports is in relation to imports in order to see how we are faring with our balance of payments. So we might look at this, and I say to the Leader of the Government that for the first seven months of 1962 our imports were up 15 per cent over 1961. Therefore, while we are producing more for export we are not closing the gap between exports and imports and thereby not reducing our obligations as to balance of payments.

There is another thing that I might point out while I am dealing with this area and trying to set out all the facts so that we will have realism in our discussion. It is this: My friend must know that the rate of growth in the gross national product of Canada from 1957 to 1961 was about one per cent and the rate of population increase was about 2 per cent. Now, if I take the year