

to continue to rise. What this House has to be concerned about is that unemployment in this country is not responding to the policies which the government initiated with a view to curing the unemployment situation, and the government seems to be taking this for granted. There is no concern on the government's part that unemployment, seasonally adjusted, stays at around 6.2 per cent, or that the actual figure is in excess of 8 per cent.

In the *Toronto Star* of February 24, 1971, there was a report that the Prime Minister (Mr. Trudeau), addressing a \$50 a plate fund raising dinner in the city of Montreal, said:

Unemployment is something Canadians will just have to learn to live with.

Of course, I presume he was speaking of other Canadians, not of the ones who had paid \$50 a plate to hear him make his speech. Mr. Speaker, those individuals are not likely to be concerned about unemployment. It is not likely that they will suffer the privation, the humiliation, and the hardship of unemployment. It may even be that some of the Prime Minister's friends are not averse to seeing a considerable amount of unemployment because they view the situation with some equanimity. There is some advantage for them if the people who work in their plants know there are two or three unemployed persons out at the gate who would like to get their jobs. This helps to keep the labour force more docile.

At the beginning of the government's attack on the problem of inflation, the Prime Minister said that the government would be prepared to accept 6 per cent unemployment. What disturbs those of us who are in this party is that the government is coming to accept an unemployment figure of between 5 per cent and 6 per cent as a permanent condition in this country. What ought to be the concern of this House is not just what the unemployment figures are from month to month, but what are the long-term prospects of substantially reducing unemployment and attaining full employment for the people of Canada.

Dr. Arthur J. R. Smith, the Chairman of the Economic Council of Canada, has pointed out that if we want to reduce unemployment to 4 per cent in one year—and may I interject that is a higher figure than the Economic Council itself has said would be acceptable, because it put the figure at a maximum of 3 per cent—we would require an economic growth rate in constant dollars of 10 per cent; that to reduce unemployment to 4 per cent over a two year period would require a growth in real output of 7½ per cent; and that to get unemployment down to 4 per cent in three years would require a growth in real output of 6¾ per cent.

I have asked the Minister of Finance to say what he estimates our growth rate will be this year. He has refused to say. He says he will make some estimate in his budget. We will await that with great interest. The fact remains that none of the economists whose predictions I have read indicate we are likely to have a growth rate in real terms of 6¾ per cent this year or during the next three years. I notice that the Bank of Montreal is predicting that unemployment will remain close to 6 per cent in

#### *Economic Growth and Employment Situation*

1971. This estimate is based on its projection of an increase in real output of 5 per cent. The Institute for Quantitative Analysis of Social and Economic Policy at the University of Toronto has forecast a 6 per cent growth in real terms, but with unemployment averaging over 6 per cent for this coming year. Mr. Douglas Peters, the Chief Economist of the Toronto-Dominion Bank, has forecast a slight decline in unemployment, but says, "It is not likely to average less than 6 per cent in 1971."

Therefore, Mr. Speaker, what this House has to face up to is whether or not we are going to be satisfied to settle down in Canada to an unemployment figure in the neighbourhood of 6 per cent. One of the dismaying figures presented yesterday in the report of the DBS is the growing number of unemployed persons who have been unemployed for a considerable period of time.

We are developing a hard core of unemployed. Of those who have been unemployed from four to six months the number is up 29,000 between January and February of this year, and up 48,000 from February of 1970. For those who have been unemployed for over six months this number is up 9,000 between January and February of this year, and is up 56,000 from February of 1970. This is the group that constitutes a hard core of unemployed who could become permanently unemployed unless remedial action is taken.

• (12:10 p.m.)

Another disturbing feature in the figures which were produced yesterday shows that the number of young people under 25 years of age who were unemployed in February of this year reached the astounding figure of 318,000. The number in this category is up 113,000 from the same month in the previous year. Mr. Speaker, I submit that any country with 318,000 of its young people unemployed—almost half the unemployed are under 25 years of age—is headed for trouble. People of my generation remember that in the depression of the thirties young people put up with a good deal of unemployment and deprivation. I do not think that this generation will be as patient and I am not prepared to ask them to be patient if the government is not going to do anything about the fact that almost half of the unemployed in this country are under 25 years of age.

The government has brought down a program for these young people but it is a paste and scissors job, ill conceived and ill considered. Some parts of the program are fine for looking after young people—hostels and kiosks to keep a register of hitchhikers, trips overseas and trips across Canada. There is nothing wrong with such projects, but they will do nothing to provide jobs for young people who have to earn money in order to go back to school or university next year. Neither will they do anything to provide jobs for the young people who are seeking permanent employment.

The economic morass in which we find ourselves is the price we are paying for the government's bungled attempt to wage war against inflation. All of us agreed that inflation had to be stopped but the government consistently refused to take the necessary measures. We in this party advocated such things as a redistribution of