

*The Budget—Mr. MacLean*

has been a little above 10 per cent. In contrast Canada's growth, although better than that of many countries, is only at about 5 per cent, which is half the Japanese rate, and we have had varying amounts of unemployment from time to time.

• (4:10 p.m.)

Unemployment, Mr. Speaker, is wasteful. Our failure to use to full potential the human resources and skills of our people not only is reflected in a lower standard of living but also in a lower standard of opportunity for all of us. It is a waste that we cannot afford. We must find the means and the determination to eliminate it. Perhaps in this northern climate we cannot entirely eliminate seasonal unemployment. Yet, we ought to succeed in eliminating the more permanent type of unemployment. Our economy should be such that everybody capable of working is fully employed during the spring, summer and autumn months. We must develop, I believe, industries employing a high degree of technology so that we may be in a competitive position in the world's markets and not be so dependant for our export trade on resource industries such as the pulp and paper industry, minerals, agricultural products, fish, and so forth. In all this, the federal government has a vital and important role to play. In addition to this, Mr. Speaker, the government, in common with all governments, has a great and vital responsibility.

I know that the ambition of those who support this government has been achieved. Their party has acquired power. Nevertheless, their responsibilities have not been fulfilled. This government is presently the custodian of a great trust on behalf of the Canadian people. It is responsible to a great degree not only for the immediate economic welfare of the Canadian people but also for the future well being of our great nation. That great future cannot be realized in a climate of economic uncertainty in which everyone becomes, sooner or later, the victim of economic vicissitudes flowing from the fickle whims of an incompetent government. In these trying times, even our economic system is on trial. All those whose future depends on it and on its well-being, and that is everyone, should realize that. If it fails, then it provides rich soil for the growth of every kind of extremism. Economic distress such as we have at present, Mr. Speaker, creates the troubled waters in which the professional agitators who wish to see our system destroyed love to fish.

In closing, Mr. Speaker, I ask the government to repent some of its ways, to reconsider some of its actions, to keep a more open mind to advice, from whatever source it comes, to weigh that advice, and to consider it. To the Canadian people generally I say, although this is the new year, that I cannot be too hopeful about the short run. I say this because of present conditions. Yet I believe, with the Minister of Finance, that our country has a great future and that if Canadians learn to work together towards economic prosperity and the acquisition of other forms of the good life, we can all go on to a great future. I say to the Canadian people, be patient. Though we have the most incompetent government in memory, even that will pass.

[Mr. MacLean.]

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, having taken part at an earlier stage of the budget debate, I had not intended intervening again. Nevertheless, the unemployment situation has grown ever more serious since I spoke in this debate on December 8, last. I think the Canadian people are aroused and appalled at the extent of unemployment in this country, and I think they are even more appalled at the government's indifference to meet this situation. Yesterday the Minister of Labour (Mr. Mackasey) said that nobody on his side of the House is happy about the unemployment rate. But, Mr. Speaker, it is not a matter of being either happy or unhappy about the unemployment rate. What we are asking for now is, first, who and what is responsible for this crisis; second, what immediate steps and what long term measures does the government propose to adopt in order to cure the unemployment crisis confronting the Canadian people?

**Mr. McCleave:** The answer is, none.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, there can be no doubt as to who is responsible for this situation. There, on the treasury benches, sit the guilty men. They must accept the responsibility for the fact that between 500,000 and 600,000 are unemployed in Canada. In addition, 100,000 persons who are taking manpower retraining are also unemployed but are receiving training allowances. The government is responsible for the situation in which we now find ourselves. They are the men who deliberately set out to create an economic slowdown and unemployment because those were the only means they could think of to curb inflation. The government turned a deaf ear to all advice relating to the consequences of their austerity program and their fiscal and monetary policies. They refused to take the necessary steps to prevent the unemployment which they knew would flow from their policies. After all, the Prime Minister (Mr. Trudeau) himself said that they were so anxious to defeat inflation he was even prepared to accept an unemployment rate of 6 per cent. It has now reached a rate of 6.6 per cent, seasonally adjusted. The Prime Minister and his colleagues knew that the policies they were following would bring about massive unemployment, yet they prepared no programs to remedy the crisis which they themselves created.

• (4:20 p.m.)

The first mistake was in accepting the thesis that the government had to choose between inflation and unemployment. They paid no attention to the recommendations which were made year after year by the Economic Council of Canada. These recommendations pointed out that by planning our economy, and with proper fiscal, monetary and investment policies, it was possible to have an economic growth rate of 5.5 to 6 per cent as well as to keep unemployment at three per cent or less. At the same time, price stability could be maintained and price increases kept to two per cent or less. The government paid no attention to this. Instead, they proceeded with their austerity program. The New Democratic Party warned the government that unemployment would be the result.