

Some hon. Members: Hear, hear.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is time that façade was torn down and the government stood on its own feet. It is time we took off the gloves to see whose hands are dirty, and there is no doubt that in this case the government's hands are soiled. They have not only failed to grapple with the problem of inflation, but in the process of their ineffective and inept handling of the situation they have brought this country to a very serious state of economic affairs. Far from stopping the rising cost of living, the increased rents or rescuing people on fixed incomes from their plight, the government has made the situation worse because they have now slowed down the economy. The OECD report shows that our production and our economic growth are being steadily reduced. We are now getting what the Minister of Finance and his predecessor used to call "economic slack in the economy". We are getting a good deal of slack.

The federal officials themselves now admit, as outlined in an article of the *Globe and Mail* of June 17, that, because of the high unemployment figure in this country we are losing in terms of production over \$5 billion a year, and that is not the full cost of the unemployment. It does not take into consideration the welfare payments that are made by the provinces and municipalities. It takes no cognizance of the heartaches, the homes that are broken, and the misery that is caused. Just in cold, calculating economic terms, the Canadian economy is losing over \$5,000 million a year. If our economy were operating at an unemployment figure of 3 per cent to 3½ per cent, if our increasing production were back to the normal figure where it ought to be, between 5 per cent and 6 per cent, we would be producing over \$5 billion worth of wealth, a third of which would find its way into the coffers of either the federal, provincial or municipal governments.

• (4:10 p.m.)

When you talk about not having the money to do the things that need to be done, the solution does not lie in curtailing public expenditures. The solution lies in stimulating the economy and increasing our production so that from our increasing wealth we could give our people the standard of living to which they are entitled in a great, wealthy, country like Canada. Not only has the government succeeded in slowing down the economy to a walk, but it has succeeded in doing what the

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Prime Minister said he was prepared to do if he had to, that is to get unemployment up over 6 per cent. That is one accomplishment upon which the government can pride itself. No other country in the western world has been able to get an unemployment figure like that. So, the Prime Minister should be able to go to the United Nations and point out, if he does not deserve any other accolades, that he can claim to have the highest unemployment rate of the industrialized nations of the world.

Mr. Aiken: It is the only promise he has kept.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The figure for the month of May is 6.1 per cent for actual unemployment as compared with 4.7 per cent last year, 4.6 per cent in 1968 and 3.9 per cent in 1967. We have this year a seasonally adjusted unemployment figure of 6.2 per cent compared with 4.8 per cent last year, 4.9 per cent in 1968 and 4.2 per cent in 1967. That is a ghastly record, Mr. Speaker, but unfortunately it is not all the story.

The fact that we have at the present time, or at least to the end of May, 513,000 unemployed does not give us the whole picture. We have over 600,000 students, a very large percentage of whom have not been able to get work this summer. In addition to that, there are 350,000 persons taking manpower training programs. Incidentally, I notice a report in the *Globe and Mail* that federal officials are predicting that 80 per cent of those trainees will not be able to secure employment when they finish their courses. So, we are not talking about just 513,000 unemployed. Taking people who are out of work and those who are not likely to get work, the figure is around 750,000.

In a country which has potential wealth, in a country which has all the materials within its own borders to build homes, and communities, and socially needed projects, the best that the government can do to resolve our economic problems is to keep tightening the screws, slowing down the economy and throwing more and more people out of work, creating artificial scarcity. Could anything be more callous? Could anything be less humanitarian, in this scientific and technological age of plenty, than for a government deliberately to create artificial scarcity?

We in this party have been pressing the government for a long time to adopt some more realistic measures to grapple with this problem.