

*Alleged Failure to Reduce Unemployment*

der the new rules. Opposition days give us an opportunity to honour one of the most important obligations of a parliamentary opposition, that of focussing a public spotlight on problems which the government would otherwise avoid discussing. That is certainly the case with our immediate and even longer term economic problems, because the Minister of Finance (Mr. Benson) has proposed, save only for some unforeseen emergency—and of course we are getting used to unforeseen emergencies developing—not to discuss economic problems or economic policy in any coherent context, which is to say in the context of a budgetary statement from the government, until the spring of 1970.

**Mr. Benson:** Who said that?

**Mr. Stanfield:** Opposition days provide an opportunity for parliament to draw public attention to problems which the government is failing to meet. In the case of the present government at this stage of its mandate, the obligation upon the opposition is, I suggest, especially important because, for better or worse, we will have this government with us in Canada for another three and a half years or so in the normal course of events. It would be tragic for Canada if the present uncertainty in economic policy continued; tragic if the parliamentary opposition allowed the government to get away very much longer with the sort of bland, complacent, almost indifferent attitude toward government responsibility for economic progress. So, this motion on this opposition day will have performed a very useful public service if we succeed only in shaking the government out of some of its complacency.

**Some hon. Members:** Hear, hear.

**Mr. Stanfield:** What did the Canadian economy accomplish in 1968? It was a tremendous year for exports, and I gladly acknowledge it. More than 86 per cent of the increase in exports was accounted for by exports to the United States. The copper strike there and the threatened strikes in the iron and steel industry played a significant part in increasing our exports to that country. So, the increase has to be seen in that context. Nevertheless, the total increase in exports during 1968 was outstanding. It was much higher than anticipated, something of the order of 18 per cent or more. I think the increase was 18.7 per cent for the first 11 months of 1968 as compared with the first 11 months of 1967.

[Mr. Stanfield.]

Canadians are of course delighted with this increase. However, our total exports depend on one market, that of the United States. Over 66 per cent of all our exports went there last year. This fact does raise serious questions about our dependence upon one trading partner, but that is a subject for another day and another discussion. The increase in exports is important in two respects to the case that I want to establish this afternoon. First, I do not think even the most optimistic forecaster would predict that our increase in exports in 1969 will make nearly as important an over-all contribution to our economy as it did in 1968. Second—and I suggest this is very significant—the fact is that despite this almost phenomenal increase in exports in 1968, Canada's rate of economic growth still fell short of the target for growth set for Canada by the Economic Council of Canada. That council has made it clear that Canada requires an average annual rate of real economic growth of something like 5½ per cent if we are to create enough jobs to absorb the new entrants into our labour force each year.

Canada has failed, and failed conspicuously, to attain that minimum objective. In 1968 the rate of real economic growth was estimated to have been in the order of from 4 to 4½ per cent, well short of the target minimum set by the Economic Council of Canada. The record for the year 1968 has to be viewed against the poor performance of the year 1967, when we achieved a rate of economic growth of 2.8 per cent. I do not want to belabour this point because our relatively poor showing in terms of employment and economic growth, and also in terms of inflation during the last couple of years, has been conceded in the white paper tabled before Christmas by the Minister of Consumer and Corporate Affairs (Mr. Basford). But the cumulative effect of this failure to attain the minimum potential in economic growth for three years running is now staring us right in the face this winter.

All the while we have suffered from this extraordinary combination of lagging rate of growth plus unacceptably high inflation. Again, and this has an important bearing on our problems relating to employment and growth, the Economic Council suggested that we could tolerate a rate of annual increase in prices of between 1.4 per cent to 2 per cent per annum, whereas in fact in 1966 the actual rate of increase in prices was 3.7 per cent. In 1967 it was 3.5 per cent, and in 1968, the year