

from 1974. Manufacturing employment is now lower, based on the 1975 average figures, than in any year since 1972 in Canada.

Is it not absolutely shocking that we have a Minister of Finance who only last Friday attempted to justify these figures, indicating that somehow the economy was relatively healthy, and he used Statistics Canada figures to try to justify that proposition? Now perhaps the minister will answer my question, or at least his parliamentary secretary. I should like to know what in fact the job creation reduction for the Department of Finance for 1976 was? What does the department currently believe will be the growth in this country for 1976? And above all, what immediate measures does it intend to take to improve the growth performance of our economy for 1976? The Canadian public deserve some answers. I think the time has ended when the government should be permitted to be less than candid in this House with regard to the state of our economy.

Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance): Mr. Speaker, on December 16 the hon. member for York-Simcoe (Mr. Stevens) asked a question of the Minister of Finance (Mr. Macdonald) regarding estimates in real growth, and particularly regarding job creation. Up to a point he was quite accurate, but I do not agree with some of the figures he has used. Let me try to put some of the figures I possess on the record.

Canada's job creation and real growth in 1975 have to be considered against the background of severe declines in world economic activity in 1974 and 1975. Real output for the seven major OECD countries as reported in the December, 1975 Economic Outlook declined absolutely by 0.6 per cent in 1974 and is expected to show a decline of 2.25 per cent for 1975. Canada took offsetting action to support output and employment in November, 1974. As the world situation declined even more sharply in the winter of 1974-75, further offsetting actions were taken by Canadian governments in the spring and June of 1975. Even so, Canada's real output slowed and then declined through the first quarter of 1975, mainly because of the decline in Canada's real exports which reflected the severity of the decline abroad.

Canada's real growth and job creation were thus held below our goals and expectations, but even so in both respects Canada's performance was much better than most other industrialized countries. I will give the figures. Canada's real growth between 1973 and 1974 was 2.8 per cent. Between 1974 and 1975 the increase of Canadian real GNP was a fraction of 1 per cent, according to the national accounts released last week. Average year over year employment growth in 1974 was 379,000 and in 1975 about 167,000, and I believe the hon. member quoted 108,000.

Mr. Stevens: How about December to December?

Mr. Trudel: The low point of Canada's economic activity in the recent world recession was reached in the first quarter of 1975. Since then Canadian real output has grown by about 2.2 per cent. In the eight month period from April through December seasonally adjusted employment increased by 214,000. The Canadian economy is at

Adjournment Debate

present experiencing a cyclical recovery which should carry on through 1976.

Forecasts of the increase in real output in 1976 are falling in the range of 4.5 per cent to 5.5 per cent, which was quoted December 16 by the minister. Improvement in exports and housing activity, increased real consumer spending, and a modest resumption of inventory stocking are the principal positive factors for real Canadian growth in 1976.

To conclude, there should be considerable expansion of employment, but owing to the continued rapid increase in the Canadian labour force unemployment is not expected to drop sharply in the immediate future.

EXTERNAL AFFAIRS—INDIA—GUARANTEES SOUGHT PRIOR TO RESUMPTION OF TRADE IN NUCLEAR MATERIALS

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, in May of 1974 India exploded a nuclear device in the Rajasthan desert. That explosion was a herald of one of the most prolific dangers ever to be perpetrated on this world, and the fact that Canada provided the technology, the tools, and the knowledge with which that explosion was created is something for which we ourselves must remain accountable and for which we must be held accountable in any world court.

● (2220)

Canadians and parliamentarians have every right to expect the government to tell us in specific terms what the government discussed with the Government of India concerning the export of nuclear aid and nuclear technology. These discussions have resumed, and the government ought to be far more forthcoming with information than it was today. I put certain questions on the subject to the Acting Prime Minister on Friday, and to the Prime Minister (Mr. Trudeau) today. I am appalled at the lack of interest and concern they showed about the horrendous, politically suicidal course on which we are embarked. Some months ago I said, when speaking on the subject of Canada's continuing export of nuclear technology, that in today's world:

Acceptance of a country's word that it will not use our technology to create weapons is a show of confidence which conditions in today's society do not warrant. Faith in a country's avowals of its peaceful purposes, avowals which can be withdrawn at any time, for any reason, amounts to naive gullibility. Trust that any country will prevent materials and knowledge from falling into the hands of criminals and lunatics is suicidal stupidity.

Yet here we are, embarked on further discussions with a country which has already shown bad faith, which has already broken an agreement over the use of nuclear technology. One year ago the British publications, *New Scientist*, said:

Canada has consistently refrained from committing its sophisticated nuclear energy industry to military purposes, yet it has emerged as a major offender under the nuclear weapons non-proliferation treaty.

Only those who deliberately blind themselves to the obvious continue to deny that Canada is wilfully and knowingly contributing to the increasing likelihood of some future world nuclear catastrophe. I say that because I am greatly disturbed. The Prime Minister, who sent his personal, political adviser to India to discuss the resump-