

manufacturing employment relatively and absolutely since 1966, when the number of new jobs rose by 122,000 or 7.5 per cent.

Growth of manufacturing employment during 1973 exceeded the total for the whole of the previous six years by 8,000. It represented 26 per cent of the total increase in employment in 1973 of 430,000 or 5.2 per cent.

I am still troubled by the number of Canadians without jobs and I always will be so long as there are Canadians able and willing to work who cannot find employment. But I think I may fairly ask the House to contrast the unsurpassed record of employment growth last year with the grim forebodings and incantations muttered in darkness and in gloom by the Troika, the Leader of the Opposition (Mr. Stanfield), the hon. member for Don Valley and the hon. member for Edmonton West (Mr. Lambert), which all last year came to resemble nothing so much as Macbeth's three witches.

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

**Mr. Lambert (Edmonton West):** That is wonderful writing, John.

**Mr. Turner (Ottawa-Carleton):** The Conservative leader has trekked back and forth across the country trying to create the impression that the standard of living of Canadians is being sharply undermined by inflation.

**Mr. Lambert (Edmonton West):** And is it not being undermined?

**Mr. Turner (Ottawa-Carleton):** It is quite true that during 1973, for the first time in many years, the increase in average earnings of individual workers has only just about kept pace with the increase in the cost of living. But it is also true that the real standard of living of the great majority of Canadians has further substantially improved, based on the more comprehensive measure available to us of Canadian prosperity.

Over the course of last year the real, personal disposable income of Canadians per man, woman and child in this country, that is to say, the income available after taxes, after discounting the erosion of inflation and adding back transfer payments such as pensions and family allowances and after taking into account the reduction in personal income taxes equivalent to between 12 and 13 per cent as provided in the last budget, rose, in 1973 over 1972, by 6.8 per cent. That is the size of the average, real increase in disposable incomes of Canadians. This follows already exceptional increases of 5.9 per cent in 1971 and 6.7 per cent in 1972.

This increase in real, personal disposable income per capita last year in Canada of 6.8 per cent was half again as much as that in the United States. Since 1970, the average, real disposable income of Canadians has risen by 21 per cent, which is nearly twice the increase in the United States.

To sum up, Mr. Speaker, the Conservatives in February, 1973, were totally wrong in their conclusions about where the economy stood and they remained totally wrong throughout the year about where it was going. But, as I

*The Address—Hon. J. Turner*

will indicate to the House later, that error of judgment was probably the very least of their follies.

[Translation]

I said at the beginning of my remarks that one of the main objectives of the estimates was to do anything reasonably possible to limit the spread of world inflation. Canada did not escape—it could not at any rate in view of the important position it holds in world trade—the effects of this international evil which has taken over the past 12 months such proportions that even the most pessimistic observers had not envisaged them. In spite of our vulnerability to these world inflationary pressures, our price structure has reacted rather better than that of most other countries. Compared with the same period in 1972, our consumer price index showed in December 1973 a rise of 9.1 per cent compared with an average increase of 10.3 per cent for most OECD countries and 9.5 per cent for members of the European Economic Community.

As Minister of Finance, nothing bothers me quite so much as the negative effects of inflation on the budgets and savings of Canadians. This affects all Canadians. Inflation is the No. 1 economic problem of this country, a problem which has been and continues to be a matter of great and serious concern to this government. The leader of the Progressive Conservative Party and his colleagues have tried to convince the Canadian public that our only policy has been one of passive complacency. The truth is something quite different: Canada has taken more concerted and vigorous steps than any other country to limit the effects of inflation, try and protect the real purchasing power of the people who are the least in a position to protect themselves against the cost of living increases, and do whatever is in our power here in Canada to strike at the root of the evil with legislative measures likely to increase the amount of goods available to satisfy the needs of an expanding economy.

[English]

Before the outbreak of this energy crisis we expected that expansion of the Canadian economy in 1974 would again exceed long-term growth potential and would be at the upper limits set by available manpower and industrial resources. We expected that there would be some easing of worldwide inflationary pressures as a result of some increase in output of goods in short supply and significant moderation in the growth of a number of industrial nations.

Canada stands to be less affected by problems stemming from potential petroleum shortages and astronomical oil price increases than virtually any other industrial nation. Growth of national production in Canada may fall somewhat short of our earlier expectations, but it could very well match or exceed that of any other industrial nation, not excepting that modern industrial miracle, Japan. Certainly we moved into 1974 with substantial momentum following the substantial real growth in GNP during last year's fourth quarter at an annual rate of 11.5 per cent, matching the upsurge in the same period in 1972 and the first quarter of 1973.

● (1250)

Rapidly expanding capital investment, spurred by the tax measures to assist manufacturers and processors and