

have suggested earlier in this debate what perhaps could and should be done about the early alleviation of unemployment. I wish to say something about the reason the government has pursued the kind of policy it has, and why we request a different approach. More specifically still, I wish to suggest why we need a significant expansion of public enterprise and a change in our current monetary policy.

To begin with, however, it is perhaps worth noting that the extent of unemployment levels in this country is beyond dispute. The Minister of Labour (Mr. Mackasey) in his speech yesterday acknowledged that we have severe unemployment and that the severity increases significantly in certain regions of Canada, particularly in our Atlantic provinces and in Quebec where it reaches levels between 7 per cent and 10 per cent. It is also acknowledged that this situation is not new in Canada. For the past decade we have had levels of unemployment which exceeded those of any advanced industrial nation in western Europe for example.

• (5:50 p.m.)

Using the Dominion Bureau of Statistics figures, I have come to the conclusion that the average level of unemployment in Canada for the past decade has been almost 5 per cent. This means that while the rest of us have been enjoying unprecedented material well being, thousands of Canadians have been experiencing material and, therefore, spiritual deprivation.

Why is this, Mr. Speaker? The Liberal government does not consist of malicious men. Other things being equal they would certainly prefer that all Canadians be employed. The point is, of course, that things are not equal. Successive Liberal governments have had to make choices. As we all know, any government, no matter which party is in power, must make political and economic choices, and this involves deciding between having either one of two or more desirable things or one of two or more evils.

In broad terms, recent governments in this country have had to decide between having price stability or full employment. No economist that I know of believes that you can have both. Our Liberal governments, and our Conservative predecessors, have favoured programs aimed at achieving price stability and, as one of my colleagues has pointed out, they have failed even in that regard. In a recent article John Deutsch, former chairman

*Alleged Failure to Reduce Unemployment* of the Economic Council of Canada, contrasted the economic performance of western European countries with that of Canada and the United States. The former, he pointed out, "have been highly sensitive to unemployment, and they have used monetary and fiscal policies very actively to keep the unemployment rates at low levels". In this article which appeared last year John Deutsch said:

Over the past ten years... they have generally succeeded in keeping the unemployment rate within a range of 1 to 2½ per cent of the labour force.

He noted that in Sweden, unemployment in the past decade has rarely exceeded 1½ per cent. He stated that during the same ten year period our level of unemployment was three or four times that level, or an average of about 4 per cent or 5 per cent.

What is important to note in this context is that governments choose policies quite deliberately with the foreknowledge that the results will be more or less employment. Therefore, contrary to what the Minister of Labour said yesterday, I reaffirm the truth of the New Democratic Party's amendment to the motion put forward by the Leader of the Opposition (Mr. Stanfield). The present government, like its predecessors, is deliberately pursuing a deflationary policy; it is deliberately creating unemployment and doing so with the stated objective of achieving price stability. The evidence of this is overwhelming. The policy adopted is aimed at achieving price stability rather than full employment.

This situation was to be seen in last December's white paper entitled "price stability". Why do we not have a white paper entitled "policies for full employment"? I think the absence of such a paper is indicative. Most countries in western Europe have produced such a document. This same attitude was to be found in last fall's lamentable budget presentation by the Minister of Finance (Mr. Benson). Then, as yesterday in his assertion that he did not favour abandoning the 11 per cent sales tax on building materials, the minister took the approach that public expenditures must be curtailed. He also felt that taxes must be kept at high levels in order to balance the budget and therefore restrict consumer demand. The effect of these measures, he hopes, will be to check rising prices. However, he did not state, or failed to point out yesterday, that one certain effect of these measures, as every economist in this country and indeed in the western world knows, is that they are an encouragement to unemployment.