

Question 10

Should a budget deficit result from the full employment programmes, what limitations would be placed on the rise in the public debt (such as balancing the budget over longer periods, keeping the ratio of the national debt to the national income below a certain limit, etc)?

Answer:

There are no arbitrary constitutional or statutory limitations upon the size of the public debt, but the effects of any change in the debt would no doubt be considered by the Government and Parliament in the light of circumstances and prospects at the time.

Question 11

How is it proposed to deal with the problem of the transfer of labour in case some industries or areas are hit especially hard, e.g.; if industries largely dependent on exports lose their foreign markets.

Answer:

This problem has already arisen in Canada. In 1947 there was local unemployment in some Nova Scotia areas and through the Employment Branch of the Unemployment Insurance Commission a number of the unemployed were transferred to Ontario and Quebec. The Federal Government paid the transportation charges and jobs were found through the local employment offices of the National Employment Service.

The seasonal transfer of labour has been an important element in the labour situation in Canada for some time. The National Employment Service has participated in the movement of farm workers to help in the harvesting of grain in the Prairies; of hay, grain, fruits, vegetables and tobacco in Central Canada; of fruit in British Columbia and the Maritimes. Workers also cross the international boarder to help in the potato crop, the sugarbeet harvest, grain harvest, and pulpwood cutting in the United States, while American combine crews and tobacco pickers, for example, move into Canada. This movement is now organized by the National Employment Service and supplements the former methods used in meeting seasonal labour requirements in agriculture and lumbering.

Question 12

- Should an attempt to maintain full employment in the face of a decline in exports lead to balance of payments difficulties:
- (a) What national measures are envisaged to deal with the problem?
 - (b) What type of assistance would be requested of the existing Specialized Agencies of the United Nation?
 - (c) What other international measures might render additional assistance?

Answer:

Canada has had no recent experience of this particular problem. If there were an overall decline in exports which might lead to unemployment it is anticipated that Canada would make special efforts to stimulate exports. At the present time the Canadian Government is co-operating in every way possible in the international efforts that are being made to restore world trade on a multilateral basis and open up more markets for Canadian goods.

It may be noted, however, that in 1947 Canada faced balance of payments difficulties caused, not by a decline in exports, but by inability of European soft currency countries to pay for Canadian exports either in kind or in dollars, and by an increase in our imports from the