

Unemployment

budget, but I would make this suggestion. There is a rumour going around that he is budgeting for a \$60 million deficit. I would suggest that he budget for about a \$400 million deficit. I am suggesting that amount should be taken off the income tax, and that purchasing power should be left with the people of Canada. If that purchasing power were left with the people of Canada, I suggest that the gross national product will increase to such an extent that the minister would probably end up with approximately the same deficit as that for which it is rumoured he is budgeting.

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, in the few minutes which I intend to take up in this debate, I shall be content with suggesting or pointing out a few solutions which I believe to be such as to remedy, partially at least, this unemployment situation which, viewed dispassionately, may be said to be serious, if not grave.

The county of Beauce, which I represent in this house, is partly open countryside and partly villages. There are no large cities but a number of large villages with medium-sized or small industries, many of which at the present time are far from operating at capacity. It may therefore be said that there is industrial unemployment in that constituency.

Moreover, especially in the southern part, there may be found several hundred day labourers and lumbermen who have not managed to find work during the winter months and who, most probably, will also be unable to find any during the next few months.

I fail to see any solution to the problem facing this particular group other than a public works program. I would ask the government to look into this possibility. Should it decide to resort to this solution, I would be in a position to suggest useful works, such as an efficient system of protection against the damage caused every year to farms and properties along the Chaudiere river when it overflows its banks.

As a second measure of relief, I would gladly support a suggestion made in this house last week by some hon. members and, incidentally, by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher). It would consist in reducing, to an extent to be determined, the rates of the sales tax and the excise tax. This would have the effect of increasing the purchasing power of the mass of consumers, thereby causing a greater demand for manufactured products followed by a resumption of production and employment.

Along the same lines, I also suggest raising the basic exemption as far as personal income tax is concerned. In fact, this limit should be raised respectively to \$2,000 and \$3,000 for single and married people.

In previous debates I insisted upon this point. I have no hesitation in returning to it since I believe that this would increase the purchasing power in the hands of the people.

Another solution would be a considerable reduction in corporation income tax. If I may make so bold as to say so, I believe that that would encourage reinvestment of additional capital in industry, with a consequent increase in employment.

I have confidence in private enterprise, but the government must ensure that its normal development is not hamstrung by ill-advised financial policies. In this connection, I would suggest that, if anyone has any constructive, intelligent and, I hope, effective criticism to offer to the government, now is the time to make such suggestions, before the government makes any decision past recall on any change which might be introduced in the budget for the 1955-56 fiscal year to be brought down on April 5 next.

Some will say, and rightly so, that all such measures would result in a large budgetary deficit. I agree that the objection is sound, but I do not see anything very serious in such a course. I do not think that the possibility of a deficit would amount to a catastrophe. In my humble opinion, the general business recovery which would follow the carrying out of these different measures would soon bring in additional revenues to offset any immediate deficit.

The Minister of Agriculture (Mr. Gardiner) announced over the week end that the support price on butter would be maintained at 58 cents a pound. I frankly and sincerely believe that it will have a beneficial effect on the unemployment situation.

Even if I have to repeat myself, I come back to the idea that purchasing power is, for the population as a whole, the very basis of industrial and commercial activity and, as a consequence, it controls employment.

In that respect, we must not overlook the fact that more than two million people are concerned with the dairy industry in Canada, and their purchasing power goes down as soon as the industry on which it depends operates on a reduced scale.

Now, if we are going to maintain in that industry a proper level of prosperity, certain government measures of a particular type are needed.