

The Address—Mr. Chevrier

They now owe it to their constituents to repeat in this house, for the whole country to know, what they think of this matter and to say if they share Mr. Frost's opinion on this point.

(Text):

Mr. Speaker, as this twenty-fourth parliament opens its session we face, in my opinion, a serious economic situation. When the Prime Minister (Mr. Diefenbaker) opened his campaign in Winnipeg some three months ago the position with reference to unemployment at that time was that there were in this country no less than 520,000 unemployed. Today these numbers have been increased by 70,000, and the figure is now 590,000. When I say "today" I mean, of course, the figures which we have as of the month of March given to us by the bureau of statistics. In addition to that figure which I have just mentioned, there are some 38,000 persons who are on temporary lay-off.

Thus, according to the bureau of statistics, the seeking work figure for the month of March is 10 per cent of the labour force in Canada as compared with 6 per cent in 1957, 5.3 per cent in 1956 and 7.4 per cent in 1955. This comparison reveals that the current economic situation, no matter what has been said in this debate this afternoon, is not normal. Of course the March figures are still affected by seasonal unemployment and we can expect a decline in the total number of unemployed throughout the summer. Such a decline, however, should not be interpreted as a real improvement in the economic situation and as a sign that the recession is over.

On the contrary, if current trends do not change, unemployment will rise again next fall and next winter will be worse than the last one, which was bad enough. When I say this I do not mean that the Canadian economy is heading for another depression like that of the thirties; I am merely urging the government to take a realistic view of the current economic situation and to take action in order to correct it. We on this side of the house would like to convince the government that it should apply the most effective remedies to cope with the very undesirable conditions which have arisen and I may say, with all respect, that I do not think the proposals contained in the speech from the throne even begin to cope with that situation as I understand it.

During the campaign we were told that the situation would be met by a huge public works program in the amount of \$1,185 million and that that was the undertaking, in part, for the first quarter of the year,

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the rest to be dealt with during a twelve month period. Anyone who has given that program any attention at all knows full well that this would not suffice even if it were all new, but it is not all new. It is nothing of the sort. Its main portion is the normal annual program for public works and maintenance which is regularly presented in the House of Commons for approval by parliament. These things would have been presented in any event even if we had full employment. In fact, when I looked at the program I could come to only one conclusion, that it is but a drop in the bucket. All I have to do to find the basis for that statement is to compare it with the St. Lawrence seaway project. There is a project which, notwithstanding what the Prime Minister has said this afternoon, is greater in amount than this proposal of his. It goes beyond the \$1 billion mark and I would not be at all surprised if it reached the great sum of \$1,200 million. Notwithstanding that fact, the house may not be aware that both with reference to power and navigation that great project will not employ more than 35,000 men on site, 25,000 in Canada and 10,000 in the United States.

The most effective way to deal with unemployment is by means of tax reduction and not by means of public works. I do not mean that public works do not have their place. Indeed they have, especially to ensure long-term growth, but they are not effective in order to deal with the current situation immediately unless they have been in course of preparation for some time.

We of the Liberal party have always felt, and we still believe, that under present economic conditions the most effective and immediate method of putting the unemployed back to work is to reduce taxes. We are not alone in holding such a view. This afternoon the Prime Minister jeered at some of the statements of the Leader of the Opposition (Mr. Pearson) particularly having regard to what was said concerning the reduction of taxes. I should tell him that we are not in bad company when we suggest to the government, as we suggested during the campaign, that the best and most immediate and most effective method of dealing with unemployment is by way of reduction of taxes. In recent months labour unions in both Canada and the United States, the Canadian Chamber of Commerce, the *Financial Post* and our best economists have made similar proposals in order to restore prosperity. Recently the matter has been more forcibly drawn to the attention of the public than ever before by the investigation of the financial conditions of the United States carried out by the committee on finance in that country. That