

*The Budget—Mr. Pitman*

down over the last ten years. Farms which once supported three or four young men now only support one, especially when a farm area is near an urban area, which means that three or four young men end up by going into the city, becoming part of the labour force there and eventually are laid off and find themselves in the line-up in front of the unemployment office. I think the legislation which was put through with regard to vocational training will have a long term effect; but surely we need to do something which will deal with this problem immediately.

When we look at this budget there are things which are indeed good; for example, the tax relief for university students. However, we have also looked for something which will put more money into the hands of the people of Canada for purchasing, not money that will lay idle but will be put immediately into the hands of the people of Canada and used in this respect.

We on this side of the house must express certain disappointments in respect to the budget. As a recommendation from this group we would suggest that we in Canada need to take a new look at fiscal and monetary policies. The minister has indicated that flexibility is the order of the day, and indeed it is. This government has dealt successfully with the threat of inflation, but unfortunately it is still carrying on the war against inflation when the enemy has gone and the battlefield is empty. We now have a recession, and the policies which successfully dealt with inflation are not policies which will deal with a recession.

The minister had hoped for a surplus, and found a deficit, much to the joy of the Liberal party. But I think this is essentially irrelevant. The point is that neither the hoped for surplus or the small deficit will do the job which Canada needs to be done today. We need an interim policy of deficit financing on a scale which has up until now been unheard of. I realize the Liberals have also suggested this, and perhaps this is where the new and the old meet.

It is strange that we expect individuals to plan their financial affairs and yet we regard governments as beyond the pale. If a man with a salary of \$5,000 a year spent the whole \$5,000 by October and then issued bad cheques for the rest of the year, he would find himself in jail. Yet we believe that governments can go on in this fashion and no real harm will take place. Why are we so convinced that individual planning is good but corporate planning is wrong? Why do we have so much faith that the businessmen of this country are able to solve the problem of unemployment for us? They are so much concerned

with trying to keep their business activities solvent that we can scarcely expect them to solve the problem of unemployment as well.

We live in an age when statistics are available and where expert advice is present, and yet we simply cannot use it to organize and plan our economy in a way which would give Canada the kind of economic organization she deserves. The Minister of Finance mentioned that the boys and girls of the 1940's were crowding the schools and now they have arrived on the labour market. But we knew that 15 years ago. We also know that recessions are a recurring thing and yet we are seemingly not doing very much about it on this side of the Atlantic. I think deficit financing on a short term basis can be good. I think it is the only way we can encourage the growth of our economy at this time. This can be done by putting men back to work and increasing the productivity of our nation. There is no danger of inflation so long as this recession continues.

What can be done with the capital which would be so created? Surely what we need in this country is an expansion of our public authority. We are paying out billions of dollars to remedy the situation, and yet nothing has been done about it. There are hospitals to be built; there are roads to be constructed; there are health centres, recreation centres to be constructed. Schools need classrooms. We know that within ten years, according to the statistics, we will need ten new universities. We realize that people coming out of high schools will soon be going into universities. We need low rental housing in this country. Yet we are paying to have men remain idle while there is so much to be done.

Surely these are things which we could be doing at this time. It has been proved that if works are begun and continued the whole process "snowballs" and the public sector benefits as well.

Our construction industry is operating at only 60 per cent efficiency. It provides 20 per cent of our gross product. A winter works program is not enough. Capital must be injected over a long period of time if the "snowballing" effect is to take place and the whole economy is to be strengthened.

I am inclined to suggest that even in such an area as athletics something could be done. Last year a great deal of regret was expressed because our athletes did so badly in the Olympic games. We see that according to the speech from the throne that the government intends to bring in, by legislation or otherwise, measures to encourage the youth of Canada to take part in amateur athletics. But, surely, the major problem in this regard is that there are no adequate facilities. Olympic failures are unimportant except inasmuch