

*The Budget—Mr. C. H. Thomas*

True, these employees may represent only 2½ per cent of Air Canada's total labour force, but in the Atlantic provinces the number to be laid off in many cases represents a third of Air Canada's working force there. In Yarmouth, as my colleague points out, 33 per cent of Air Canada's jobs have been declared surplus. As Mr. McDewitt said in Saint John, the number laid off in the Maritime provinces represents about one-third of the number in Canada.

● (8:30 p.m.)

Where is the justice and what is the reason for such a failure? Air Canada must be told, and told immediately, by the Minister of Transport (Mr. Jamieson), the Acting Prime Minister (Mr. Sharp) or someone in authority, that that organization has the same responsibility to the Canadian people as it has to private business. It must be told that this country is waging a battle against unemployment and that it cannot be allowed to slow down the fight by ill-considered lay-offs. In short, Air Canada must be told that the announced lay-offs must be postponed until the economy is once again going full steam ahead. As I said earlier, time after time we have hammered away to bring this situation to the government's attention. We hope the government is finally aware that unemployment has become a serious problem. Sometimes you wonder if that idea has ever occurred to them.

The government keeps saying, "What shall we do?" We have often heard them say, "You cannot give us any suggestions." Quite apart from the fact that the government is trying to evade its responsibilities, it has the responsibility of telling us what to do. We on this side have made many suggestions. They have been ridiculed, laughed at. Nevertheless, as I have said, many responsible businessmen in the country are thinking the same way we are.

What can the government do now? We need constructive measures to get the construction industry back to work and to supply the housing that is so desperately needed. If we enable the construction industry to get back to work, we shall immediately bring about a rapid increase in employment in the construction trades, and that will have a multiplier effect throughout all industry. To begin with, I suggest to the Minister of Finance, as many others have suggested, that he remove the 11 per cent sales tax on building materials. The Premier of New Brunswick has already taken the lead in this field, having recently removed the 8 per cent sales tax on building materials. This already have given an encouraging impetus to the building industry. This step alone would have a tremendous effect in reducing the 18.8 per cent unemployment figure in Moncton.

We need substantial cuts in both corporate and personal income tax, to place more money in the hands of consumers and to reverse the pessimistic attitudes held by businessmen about the immediate future of the economy. Above all, the government must admit that it has been wrong in its political philosophy that everything must be brought under government control. We need an admission that it has been wrong in its theory which suggests that economic expansion can only be achieved

[Mr. Thomas (Moncton).]

where, when and how the minister and his bureaucrats decide.

We need the government to admit that other people also have good ideas about how to create jobs, and when. The government must realize they do not know everything; they do not have the complete, decisive say as to where and at what times jobs should be created. We want assurances that this government does not consider itself the sole fount of wisdom, omnipotent and omniscient. Above all, we want from the government recognition that private enterprise, and not the government, is the only lasting source of economic growth and jobs.

**Mr. Warren Allmand (Notre-Dame-de-Grâce):** Mr. Speaker, I listened to the speeches in this debate yesterday and most of today and have found that the analysis by this House of the very complex problem of unemployment has been, for the most part, an ultrasimplistic one. Opposition members have repeatedly stated that the unemployment we are now suffering in this country has been due completely and solely to government policies.

**An hon. Member:** You are so right.

**Mr. Alexander:** That is true for 99 per cent of the unemployment.

**Mr. Allmand:** It seems to me this is just not true, and I am not saying that because I am a government supporter.

**An hon. Member:** I suppose the hon. member is going to set us straight.

**Mr. Allmand:** I say that because a great many other causes occur to me which have something to do with the problem. The policy of the government has been one cause, but I do not feel we shall do much toward solving this problem in the long run by continually ranting that the entire problem has been caused by government policy. If we look at countries which have governments of a different colour we see that they, too, have been faced with cyclical unemployment. Right now the United States faces a growing problem of unemployment. I should like to put before this House some of the other causes which have occurred to me and which I think should be considered.

**An hon. Member:** Primarily, people are unemployed because there are no jobs.

**Mr. Allmand:** First of all, it occurs to me that we have an economic system which is not flexible enough to adjust its cost factors when economic conditions change, particularly the cost of capital and the cost of labour. Second, we seem to have developed an economic situation which, contrary to the classical prototype, has been faced with increasing prices combined with increasing unemployment.

**An hon. Member:** And bigger profits.

**Mr. Allmand:** Third, we have an economic system in which there is a shortage of money for jobs and for