

*Proposed Committee on Unemployment*

and in those several directions there seems to be no indication of any serious recession in the year 1954.

It is said that we have not taken any special steps. We have not panicked and rushed out in all directions to take emergency measures to deal with the present situation. We have been reminded that our government expenditures are high. Again they are high because the government foresaw that this would be a difficult year. The transition from a seller's market to a buyer's market is always difficult. Certainly the worst way in which to meet a transition of that kind is to curtail government investment. That is the old theory that did not work so well back in 1931, that when things get tough the government should stop spending and start squeezing its pocketbook. That is not the time to cut government spending. There were important investments that the government needed to make and, in the light of the general situation, it was decided that this would be a year to loosen the purse strings and step up our public works program, now that military construction is less active. That has been the policy of the government for 1954.

In the investment field our economy will be reinforced by two large projects. One is the St. Lawrence waterway project, which we fully expect to be under construction before the end of the year. The other is the longest pipe line that has ever been built anywhere, namely the gas pipe line from Alberta to Ontario and Quebec. I therefore think we can look for a continuing high level of investment in Canada not only in 1954 but well into the future.

How do we explain the discrepancy in the figures which are given us? The applications at the labour office suggest that some 520,000 people are seeking employment. That situation comes about in a very simple way. In the last year or two the list of insurable occupations has been enlarged to include a good many seasonal occupations. I know something about the forest industries business at the lakehead where I reside when I am at home, which is not often. That business has not changed over the years. The men go in the forests in the fall and work there during the cutting season. They mostly work on a piece-work basis; that is, so many cords of wood return a certain wage to the cutter. Since the introduction of the power saw it does not take nearly as long to do the winter cutting as it did in the old days. When the cutting is finished the men return to town, and most of them go back to the little farms they have in the vicinity of Port Arthur. Before doing so, however, they stop

[Mr. Howe (Port Arthur).]

at the employment office, register as unemployed and request their unemployment benefits. It is quite proper that they should do so. Then when the drive comes on in the early spring, when the rivers start to open, they return to the forests and take care of the hauling and driving of the timber down the river. By that time the construction season has started and they return to their summer work of construction. That has been their program, and it has been going on for a good many years.

I recall an incident that occurred when I was there about a year ago. A man I knew from my construction days approached me and said that he had just arrived in town from a lumber camp. He wanted to know if I knew where he could get a job. I said, "Do you really want a job?" He said, "I will take a job." I said, "Have you registered for unemployment insurance?" He said, "No; do you think I would stand in line for \$24 a week?" That was his attitude. I said, "How much money have you in your pocket?" I will not name the sum, but it was such as to lead me to believe that he was not very anxious to get employment. That situation applies in many parts of Canada. It applies to a good many jobs that are seasonal and always have been seasonal.

Over the past three or four years there has been such a demand for manpower that many seasonal workers have been working during periods in which they do not normally work. That pressure is off. The urgency for the carrying on of construction work throughout the winter has disappeared. The urgency has eased off in many other directions, and there is little off-season employment for men who are normally only employed seasonally. This has caused a great number of applications for employment that really do not represent men out of work. I think we all have confidence in the dominion bureau of statistics. We accept their figures on most matters, and I am prepared to accept their figures on employment. I think they are correct.

In reading a brief presented by the labour leaders who called on my colleagues two or three days ago I noticed that they mentioned figures with respect to frictional employment. They used a figure of 3 to 5 per cent of the labour force, and I thought they were very generous in that respect. Five per cent of the present labour force is about 260,000 men, which is greater than the number unemployed at the present time. I would put the frictional figure at something under 3 per cent. Added to the frictional figure are the people who are unable to find work, and they come largely from particular industries. Ocean seamen are on shore now and looking for work. Training courses are being provided