

*Employment Commission*

My hon. friend has another remedy and it is a simple one. He says that we have a great factory in Ottawa and that we can turn that factory to useful purpose. The factory in question is known as the Bank of Canada, and he thinks it should engage in turning out money for us to spend so as to give employment to the unemployed. When you give something to the unemployed you in reality give them a call upon goods; and when you do that by printing money I do not think you will get very far, because your money will not be of much value and you will find it a great deal more difficult to finance than you did before. When you borrow money what do you do? You take from people who have and give them in return a certain allowance called interest; we pay them for the use of their money with a promise, which I hope we shall make good, of repaying them in due course when the time comes. But when you print money what do you do? You start upon a course of inflation of prices, and instead of taking money from people who have, as you do when you borrow you take it from the worker, the wage-earner, in the form of increased prices of goods so that what you are really doing is cutting the wages of the wage-earner. I submit that if we are going to do that we ought to do it honestly and in a straightforward manner. If we are to tell the wage-earners of the country that their wages are too high—and in some cases they are too high, while in others they are a great deal too low—if we are to tell the wage-earners that we are going to cut their wages, then I say: Let us tell them face to face, instead of starting a money factory to inflate the value of our dollar, giving them less purchasing power and taking that money from them instead of borrowing it from others who have and paying a certain interest for it.

Mr. HEAPS: Whose wages would the hon. member like to cut first?

Mr. DEACHMAN: I said, what is quite obvious to anyone, that certain wage levels are too high while certain wage levels are far too low—

Mr. HEAPS: Which are too low?

Mr. DEACHMAN: —and I say the same in regard to profits of industry. Certain profits are far too high. My hon. friend says that nobody in Canada is getting too high wages. I leave it to him—he is welcome to it—but I disagree.

Mr. HANSON: Many members are overpaid.

Mr. DEACHMAN: Quite true. I submit there is no way of solving this problem except [Mr. Deachman.]

the way we are going. If we are going to make progress it must be by the expansion of trade, the increase of industry, and further than that, by bringing about a lower price of manufactured commodities in relation to farm products than we have to-day. Either the price of farm products must go up or the price of manufactured products must come down. As we have had great technological changes in industry in the last few years, is it not astonishing that it has not been followed by a corresponding reduction in prices? There is one way in which Sweden has succeeded. By means of her cooperative enterprises, by her cooperative stores, she has been able to bring down the price levels of products which are in general demand by the people of that country, and thus has improved the domestic market.

I want to give to the committee one illustration of what has happened in the last few years in Canada. I asked an importer in Montreal to tell me what had happened with regard to cotton textile goods between 1930 and 1935. He replied that during that period the prices of those products in the open markets of the world had declined about twenty-five per cent, but the price at which those products could be laid down in this country had fallen only about six per cent, and because of that fact prices of those articles were relatively higher than they should be, and so diminished the purchasing power of the Canadian people, who had to pay a higher price than they should pay for those products.

I appeal to my hon. friend the Minister of Finance. I have confidence that he and the leader of the Liberal party will see to it that when changes take place in the budget they will tend to reestablish the equilibrium of prices between farm products and manufactured goods. That will be one of the directions in which we should move in establishing the new era which is bound to come and which, I hope and believe, will come within the next two or three years. When trade moves up and revenues expand and manufacturing gets a chance to grow and develop, because the whole market will increase, what will have become of our unemployment problem? There will still be a remnant of the unemployed; there will always be technological changes in industry which will throw men out of work, and those men must be looked after, but unemployment will not be then, as it has been in the last few years, the great, fundamental problem engulfing everything else in the thoughts and minds of the Canadian people. If we approach this problem to-day from the standpoint of solving it, not merely with the idea of taking care of those who happen now to be out of work, we can succeed. We need