

Proposed Committee on Unemployment

It is true that we have our Unemployment Insurance Act. It is also true one of the ministers has said that last year \$148 million was paid out in benefits to the employable unemployed. Later on in the season I understand it also applied to the unemployable unemployed. But no one would argue, I am confident, that payments made under the Unemployment Insurance Act offer any solution to the major problem, nor would they argue that those payments did more than offer an extremely low standard of existence to the recipients.

But even more important than that, let us not forget that there were thousands who became unemployed who, for one reason or another, could not qualify for a single, solitary cent of benefit under the Unemployment Insurance Act. It occurs to me that probably the time has come when the government should give consideration to extending the coverage under that act. It also occurs to me that probably the time has come to increase the benefits payable under the act and to ease conditions of eligibility. I readily recognize the fact that in a prolonged period of unemployment the fund that has been built up under the act would become exhausted. I understand, subject always to correction, that the amount in the fund stands at about \$900 million. But I am sure the Minister of Labour would be one of the first to agree that no unemployment fund could stand up over a long period of time with a heavy demand being made upon it from month to month.

I am not criticizing the Unemployment Insurance Act. I have supported it. I say it has brought help to a great many people, but it does not constitute a solution to the unemployment problem. Reference was made by the minister to the \$349 million paid out last year in family allowances. True, we have supported family allowances; but no one would suggest for a moment that the amount received by the average family would even buy the bread and butter for the household, if the head of the home became unemployed. It helps, but it is not a solution. Unemployment insurance and family allowances are certainly not in themselves guarantees against recession or against serious unemployment. Many of the unemployed do not receive family allowances. Many of them have dependents. As I said a moment ago, with few exceptions the amounts paid out through family allowances are very small.

During the debate repeated references have been made to industry. I have always looked upon industry as having one specific function, namely the production of goods of the best

quality it is able to produce. In my estimation industry bears no responsibility or—and perhaps I should put it this way—is not under a duty to employ people. The trend over the years both in secondary and primary industry is to utilize the most modern types of machinery, and this has had the result of causing unemployment. Industry does employ; but industry must be able to sell its product before it can employ, or if it is going to continue to employ.

Sometimes I develop a hostile frame of mind when someone undertakes to create the impression that it is the duty of industry to solve the unemployment problem. I am sure no one here would say, for example, that a farmer should be compelled to go back to the old threshing machine, or go back to the stooking of his grain, or get rid of his combine, even though the combine has displaced many men in agriculture. Industry will continue to produce, industry will continue to employ and industry will continue to sell only so long as an effective demand exists for its products.

It has been said on the one hand that a decline in trade has reduced the effective demand for our production. Let us assume that it has. Perhaps that has been as a result of the trade policies and practices of this government. Let us assume for a moment that we cannot devise a trade policy which is going to create a sufficiently effective demand to enable us to sell our real surpluses. When that situation develops employment is going to fall off, as it is doing; effective demand for production is going to decline, and a vicious cycle will have been started. I ask the government, if you cannot, through the establishment of the best trade policies which you can devise; if you cannot through the starting of national projects take up the employable unemployed and put them to work, then what are you going to do?

If the situation arises again that in the midst of the vast production of this country and our staggering productive potentiality we have several hundred thousand unemployed, then I say that trouble is going to develop. If we allow that strange paradox of poverty in the midst of plenty to prevail in this country, as it did during the 1930's, then I warn you we will be faced with a serious problem. If we are going to allow that situation to develop we may just as well throw our doors wide open and say to the communists, "Here it is; come and take it." That is just the type of invitation which in effect will be issued.

As far as I am concerned much of the responsibility rests squarely upon the shoulders of this government. After all, the