

*Proposed Committee on Unemployment*

believe that if labour overplays that weapon they will find the effectiveness of it will be reduced.

Labour must take a sane and sensible approach to strikes. The further we get away from harmony between management and labour, the more likely it is that a condition will arise which will result in a strike. Strikes always mean a loss of time, not only to those who are in the industry concerned but to those in associated industry. It is not always true either that when a strike is over the industry starts rolling again. I should like to quote again from the *Prince George Citizen*, in which there appeared an article under the heading "Strike Hang-over cuts Mill Output". It reads:

Fort George forest district mills cut the smallest December post-war sawlog scale on record in the first month of the present B.C. forest branch year, statistics disclosed today.

Observers in the industry blame the low December cut on a "strike hangover" and soft market prices.

The "strike hangover" they say will likely affect production during the first three months of the present forest branch year.

When the strike is over we do not always find full employment is possible. In the case of our forest industry we know that is true. A few years ago we had a strike in that industry, but when the men were ready to go back other factors stepped in and made it impossible for them to go back to work. There are forest closures and so on. Then, during that winter, it was found that the snow was so deep on the mountain slopes that work was impossible, so it became a difficult time for the workers in that area.

Mention has been made of projects to take up the slack of unemployment. In this connection we should bear in mind that money for these projects comes out of the taxpayer's pocket. Naturally, I feel they are desirable; but there is a way that the object could be accomplished without digging too deeply into the taxpayer's pocket. Under our present system, that is where the money comes from to meet these demands. As a result of our defence program we have an enormous production of non-consumer goods, which releases purchasing power in an increased volume.

It seems as though we are now entering a period in which credit buying is at an all-time high. People are trying to stretch their dollars. I was told, and I believe it is true, that one store in this city is offering television sets, without a down payment, for as low as \$2.75 per week. Business is trying to keep going with a deficiency in purchasing power. We are entering a phase now where credit buying has almost reached the

point that it can no longer be continued. People are starting to pull back. This will mean lay-offs, cutting down in consumer purchasing power, and unless something is done to arrest it we will find ourselves in a depression. It is common knowledge that the new housing legislation was brought forth, primarily, not to build houses but to put more money into circulation with which people could buy goods and services. In other words, it was designed to release credit to the people. I say there is not a better method than housing to accomplish this purpose and reach the various industries throughout the country which would participate in such a scheme. But at the same time we feel that we must look farther afield and get into a position where we recognize the real root of the problem; and in my estimation that is a deficiency in purchasing power. The amount lost through this deficiency in purchasing power must reach the hands of the people through channels other than those of production. It must be supplemented. Many economists know—and this is not contradicted—that production does not release enough purchasing power to buy back that which is produced. If this is true, then it means that we must have purchasing power released into the hands of the people through means other than normal channels of production.

If our defence spending is to be curtailed, and that amount of energy is to be put into peacetime production, we are going to have a national credit of goods for which there is no purchasing power. But if we have that national credit, we also have a national debit in the form of our senior citizens, crippled children, the blind, veterans and so on. All social services constitute a national debit. If we have a national credit, then let us transfer some of that credit into the hands of those people who are struggling along on \$40 a month.

If these are recognized facts in our economy—and I think they are—then let us move toward that goal by distributing purchasing power among those people, making that distribution against the national credit that we have. We could go farther and take up the slack of unemployment by going into the production, on a national scale, of highways, irrigation projects, power projects and so on.

I shall not discuss this point further, because I see the time at my disposal is slipping along. But for those who constantly refer to free enterprise as the bugbear in the present economic situation I should like to read some excerpts from *Time* magazine of February 15 dealing with the revolution in industry that