

in the hands of the people. If we could get that purchasing power into their hands so they could buy more, we would immediately encourage the production of butter, cream, milk and every other commodity which we can produce so generously in this country. If we could so increase our production, unquestionably we would increase our national income; for production is the thing that makes real wealth. If we could increase our national income, beyond question we could increase our national revenue; for you get national revenue from national income and you get national income from production and you do not encourage production by taxing it or by limiting the purchasing power in the hands of the people.

This measure proposes nothing more or less than a new tax on top of the painful ones imposed yesterday. I say "painful" without committing myself either to approval or disapproval of the budget. In the last analysis we are not going to tax all the people because all the people are not employed. As the hon. member for Rosetown-Biggan (Mr. Coldwell) said, we can never possibly reach all the people. We will be least likely to reach those who are suffering the most. Consequently this proposal is exactly the opposite to what we ought to have.

We need not unemployment insurance but employment insurance. Employment insurance could be obtained by giving the people work. People would be able to obtain work once there was an abundance of production. Therefore, we should be devising ways and means of increasing production in this country. Then employment would take care of itself and so would unemployment insurance. How to increase production is the problem we should be wrestling with in this house. If we could manage to extend credit in such a way that the producers could produce freely and expand purchasing power so that the people could buy that production freely, then there would be immediate employment. I submit that it is along these lines that the real solution lies.

May I turn for a moment or two to the question of centralized control. Parrot cries have been heard from one end of the country to the other, apparently actuated by some inspirer behind the scenes, all clamouring for centralized control. The idea seems to be that if you take five, six or seven families, any one of which cannot make a living by itself, and put them all tightly together so that some one can control their every movement, you are going to have every family succeed. Such is not the case and such will not prove to be the case in Canada. We do

not need a strong centralized government. Do hon. members wonder why we never heard anything about this need for a strong centralized government until the last ten or fifteen years? Why was it that this country got along very well for many decades? There was no disagreement between the central government and the provincial governments until the depression came along.

Mr. MARTIN: There are different kinds of provincial governments now.

Mr. BLACKMORE: Does that indicate that the principle of federation as it has been followed during the past decades is wrong, or does it indicate that we are faced with a new set of conditions? We are not going to be able to solve the problem caused by over-production or abundant production and small employment by clamping on a strong centralized government which can force the people to stand the misery they are suffering and which will give them no chance to solve their own problems locally. If we govern this country in the right way there will be no need of a strong central government. Every province desires to be a member of a strong British union in Canada, but every province feels that it has a right to a decent standard of living. The thing this house should be considering is how to enable the provinces to have a decent standard of living. We would then have no need for strong central governments.

My group is going to support this unemployment insurance scheme. We have but little faith in it, but we want to see the people who believe in it convinced. A tremendous number of people can convince themselves only by bumping their heads against stone walls. Probably the best thing that could happen is to let the people bump their heads. They will soon find that unemployment insurance is only a bauble, is only a glittering make-believe that will lead but to disappointment and perhaps to despair.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the hon. leader of the opposition (Mr. Hanson) and other hon. members who have spoken for particular groups have each referred to their own attitude and that of their respective followings towards an unemployment insurance act. The hon. leader of the opposition outlined the steps taken by the Conservative party during a previous administration to have an unemployment insurance act placed upon the statutes and put into force. The acting leader of the Cooperative Commonwealth Federation (Mr. Coldwell) has referred to the frequent intimations which his group had given