

Proposed Committee on Unemployment

of our defence plans, necessary in war but an important part of the Canadian economy. Canadian consumers have the right to insist on the savings made possible by fair competition, but it is doubtful whether the Canadian consumer would value the small amount he saves if he knew that such a saving meant the loss of a job of a fellow Canadian workman. Canadian textile mills are dependent on the domestic market. In 1952 they only exported \$28 million worth of goods out of an \$800 million output. Competition on the domestic market by cheaper foreign imports has caused a greater part of the difficulty.

The Minister of Trade and Commerce has talked in optimistic terms of future high investment, and so on. I hope this is true, but the segment of our population caught in the areas of unemployment have received cold comfort. No suggestion is made except that they get out of such areas and seek employment elsewhere. The situation cannot be passed over by simply referring to these industries as "soft spots" in our economy. It is the right of these workers to live and work in the industry for which they have been trained. One purpose of this debate is to bring before the government the urgent necessity of dealing with unemployment in such areas. Today, confronted as we are with the swelling rolls of the unemployed, the government's answer as expressed by responsible ministers yesterday has been that these are merely "soft spots", and such people who are unemployed must move elsewhere. These answers are wholly inadequate. If either the Minister of Trade and Commerce or the Minister of Labour feels that such an answer is adequate, I suggest he review the situation in the twelve textile mills of my area or in the farm machinery factory in the town of Smiths Falls.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): I should like to say a few words in this debate, Mr. Speaker. First I must comment on the speech which we recently heard from the member for Temiscouata (Mr. Pouliot). I am sure that the house was surprised, and certainly we in this group were shocked to hear the anti-labour tinge of his remarks. I believe the minister or some Liberal member, at the first opportunity, should rise and say whether or not this represents new Liberal trade union policy. I hope it does not.

Having said that, Mr. Speaker, may I say that I believe that one of the fundamental duties of the federal government is to adopt policies which will provide reasonably full employment in this country. It seems to me that, in a nation which has so much wealth and so many natural resources, there is no

need for widespread unemployment at any time. In this debate there has been a good deal of argument as to how many people are unemployed at the moment. However, all members have agreed that the number is substantial. As for myself, I am quite prepared to take the word of the Minister of Labour when he said, as reported in *Hansard* for February 15, 1954, page 2085:

The number of applications for jobs listed with the national employment service offices across Canada—there are about 220 of them—on January 21, 1954, was 524,000.

I suggest that number is alarming, and should cause concern to all members in this house. I feel it is our urgent duty, today and in the future, to examine the causes of this situation and see what we, as parliamentarians, can do about it. What has caused this unemployment? I suppose all of us have different views. Some may think the reasons are seasonal; others may think it is because of competition in our export trade; and others may feel that it is because of government policies. There are, of course, a number of contributing factors. This afternoon, I should like to deal with only one of those, and that is government policies.

In my opinion one of the major factors causing unemployment today is the short-sighted, and I believe oppressive, taxation policy of this government. This year the government is going to spend approximately \$5 billion, according to the estimates which were tabled in the house a short time ago. What does that mean? It means that in 1954 out of every dollar which the average Canadian earns he is going to have to pay roughly 21 cents to the federal government. It means in the second place that this year every man, woman and child in this country is going to be taxed by the federal government at the average rate of \$335. Every household will be taxed at the average rate of \$1,340. In my opinion the effects of such savage taxation are now being felt in our labour markets across the country.

In the first place high taxes are adversely affecting consumer purchasing power in our domestic markets. Very substantial funds, which ordinarily might be used to build houses, to buy motor cars, farm machinery or textiles, are being siphoned off by the government in the form of taxes. And that reduced demand for goods must reflect itself, as I see it, in a reduced demand for labour.

I think in the second place that even the Minister of Finance (Mr. Abbott) would admit that the high rate of taxation in Canada today is harmful to the nation's investment program in new plant and new equipment. Our population and labour force are growing considerably each year. We must depend upon