

Proposed Committee on Unemployment

serious unemployment at the present time, the causes that have been given so far are rather vague. It also seems to be the fond hope of the government that whatever the causes may be they will right themselves automatically.

If the causes can be determined, and if it is decided that they will not right themselves automatically, then what is the cure? In other words, what can parliament do to cure the unemployment situation that exists. I cannot agree with the hon. member for Cape Breton South (Mr. Gillis) who suggests that the government do something about unemployment right away. Unless you know what you are doing there is no point in jumping wildly in and doing a great deal. It would seem to me that the only way to find out what to do, to find out what the causes are, in what industries unemployment is more prevalent and so on, is to have the standing committee on industrial relations examine these questions at once, as has been suggested by the hon. member for Vancouver-Quadra (Mr. Green), because everybody admits that if an unemployment situation exists, as it does, it must be looked after at once.

It will not do any good to ask the government to pass a lot of laws if they do not know why they are passing them. It would be like a squirrel in a cage running around on a wheel or, as the old expression goes, "I don't know where I'm going, but I'm on my way". It would be impossible to expect the government to do something unless it had some opportunity to look into all the facts and see what should be done. I should like for a moment to suggest a few things that the standing committee on industrial relations might consider if it had the opportunity of so doing.

First of all it might consider this point. While the submission on unemployment by the Trades and Labour Congress of Canada and the Canadian Congress of Labour indicates that unemployment is general and not confined to particular industries, nevertheless from information I have received I cannot help feeling that certain industries have been hit by unemployment more than others. I refer to the farm implement industry and the textile and shipping industries. While many textile workers are not unemployed, a great many are working on short time, and I know this is the situation in a number of textile plants in my riding.

In this regard I think it would be rather pertinent if it is found that more unemployment does exist in certain industries than in others, because I believe it would give the committee on industrial relations a possible

clue as to one of the more important causes of the present unemployment problem in Canada.

During this debate we have heard the economic doctrines of numerous economists put forward. We have been told the application of their various theories would cure the situation. We have heard about the effect of Lord Keynes' savings investment principle, we have heard about the effect of his equation $MV=PT$, which is the amount of money in the country times the velocity of money equals the price level times the number of transactions. We have heard some Marxist doctrine out of "Das Kapital", about the rich getting richer and the poor getting poorer. We have heard some reference to business cycles, which I suppose is related to Mr. Hawtrey's theories on business cycles.

The standing committee should take these various theories of the economists into consideration. I think they would be very helpful. I believe the committee should bear in mind the fact that nearly all economic theories about which we have heard are predicated upon a closed economy, or in other words, a mythical kingdom or workers' state, whichever you like, that has no connection with outside countries so far as international economics are concerned. It is also assumed to start with that the country's economic policies are solely for reasons of economics.

These assumptions, as everyone here realizes, are based upon a false premise so far as the direct, practical application of these theories to human society is concerned. In our world we have the land areas divided by man-made political boundaries into various economic as well as political units. Some of these have a great many resources and some have none. Some are suited to producing wheat, and others because of natural resources are suited to be manufacturing countries. Climate, soil and resources, all influence the economics of the different countries of the world.

In this mythical country of the economists, the part of the country best suited to produce wheat produces wheat; the part best suited to manufacturing does just that. As we all know, this is popularly known as the principle of natural advantage. It would be unthinkable in this mythical economic country for someone to try to do anything as uneconomic as growing grapes in a hothouse in Iceland when they could be grown naturally in Spain. But this is not what takes place in our world. Because of fear of war, national pride, mistaken economic thinking such as the nineteenth century doctrine of mercantilism and so on, all countries produce goods that are basically uneconomic for them to produce.