

Proposed Committee on Unemployment

of necessary income. All of us know well that at the end of the year the surplus suddenly vanishes, Mr. Speaker, but for nine long months Canadians last year were over-taxed to the extent of \$260 million.

The editorial goes on:

The tabling of the estimates coincided with the presentation of a brief by the Canadian Chamber of Commerce which contended that tax levels are too high, particularly for a developing country such as Canada where personal incentive and corporate efficiency are the mainsprings of the economy. But it is apparent from the estimates that the government has no intention of following it.

That is a reduction of personal income and excise taxes, which would provide the means to permit of increased competition at home and abroad. That is something that could be done. That is something that must be done; for taxation is squeezing Canada out of world markets.

Ministers of the crown used to say that taxes would be reduced when defence requirements went down. This year defence requirements have been very considerably reduced. I have not the exact figures before me, but it is well over \$100 million; yet at this very time the estimates for non-defence items are being increased. The Canadian Broadcasting Corporation are asking for an increased amount. The amount they are to receive is increased from \$8,634,000 to \$23,644,000. That is being asked for in a year when we are being taxed out of trade markets of the world by our heavy taxation. Surely that is a staggering amount to pay to the radio corporation in a year such as this.

There are many other items one could refer to. While we were promised that reductions in taxation would come when defence needs were reduced, the estimates that were tabled the other day show that the government intends to continue not a drive for greater economy and tax easement but continuance of high taxation that has placed Canada in very considerable measure in a unenviable trading position in various parts of the world.

A word as to agriculture. Today the farmer finds his farm income going down and the costs of the things he buys going up. The farmer finds himself caught between the squeeze of diminishing returns and rising costs. The demand for farm machinery and other things that would be purchased naturally decreases.

What is going to be done in regard to farm markets? As our farm markets disappear the unemployment situation will inevitably worsen as the days go by. What is the attitude of this government in regard to securing markets for our bacon, coarse grains, meats, etc.? Today the Danes are expanding their

[Mr. Diefenbaker.]

markets; the Poles are endeavouring to expand their markets. Russia has its coarse grains; Australia and the Argentine have their wheat and their meat. Surely we have a right to know what is to be done. What is the government doing to meet the farmers' plight? The hon. member for Kamloops (Mr. Fulton) says "nothing". If they are doing anything, no one in parliament has been given any information on it.

The Minister of Trade and Commerce was in the west the other day and made a speech in Winnipeg. Even to read the speech in cold print shows one the affability with which it was delivered. He said that western farmers can expect to market their surplus of wheat at reasonable prices despite the decline in overseas markets which has created a change for the worse in the marketing situation. Western farmers would like to hear what is being done in regard to securing markets. Is the Canadian wheat farmer in the position that at present prices Canada cannot dispose of her wheat? Are we to continue to rely on the government, as its ministers go from place to place, sir, and speak outside the house and make those optimistic statements? Now is the opportunity—this debate provides it—to show what is going to be done by the government in the days ahead to meet the present unemployment and market situation.

In 1929 the same warning beacons were in the sky. When unemployment started it was referred to as seasonal, not frictional, because they did not have frictional unemployment in those days. They said then it was merely transitory, that it would not last. No action was taken, and depression followed. Unemployment insurance payments are not enough. They are but a palliative, but do not meet the essential problem. I suggest that the ministers of this government let this country know what is to be done and what are the trade prospects.

Where are the possibilities of extending trade? What will be done to remove the tremendous surpluses of agricultural products, of wheat particularly? Our experience and that of the United States has been that whenever there are surpluses of agricultural products, because markets have been lost, a cycle begins which follows a course regular and direct. The cycle starts with reduced farm demands for manufactured commodities; and a reduction in demand for those things is followed by a reduction in the labour force, and unemployment results.

A committee set up to study and report on unemployment would hear evidence of those who are warning this government and the country of the need for action now. It would