

ance of working class spending by unemployment relief, when spending generally was contracting and investment in new enterprises drying up. . . . One of the advantages of a self-supporting insurance scheme is that if properly controlled—

That was what I meant when I referred to an organized system of employment exchange offices.

—it accumulates reserves when spending is active and employment is good, to disburse them automatically at the time when trade is depressed, and spending needs to be stimulated in order to give employment. . . .

The economic facts of the unemployment situation must be considered in relation to the social benefits of unemployment insurance and its extension which have outweighed any economic objections.

This was the conviction of a group of competent men who, at the instance of His Majesty's government in the United Kingdom, examined the operation of unemployment insurance in that country. This was the result of their examination. The truth is that English statesmen and leaders of business for the time being having dispensed with many of the social implications of the classical economists, and are prepared to look at the situation not in the light of theory as it was known in the days of Adam Smith but in the light of the system under which we are operating, with all its difficulties. They saw to it that a minimum of mass purchasing power would be available to the working groups of England; and as a result of unemployment insurance Great Britain has been returning annually about one and a third billion dollars to the unemployed, the sick, the injured, the aged, the widows and the orphans. This has enhanced the internal purchasing power, on the basis of population, to nearly four billion dollars, and as a result English wage rates have been kept in hand, thus ensuring purchasing power to those who continued to work. I submit that the same can be done for Canada.

I realize the difficulties facing the Minister of Labour in his attempt to deal with this problem. I would suggest to him that if we resort to a scheme it must be on a nationwide basis. Otherwise the following burdens and difficulties would result: First, work-people who move constantly from one province to another would present a difficulty when one worker would move from an uninsured to an insured province, or vice versa. Second, it would be unfair that the taxpayers of an uninsured province should contribute equally with the taxpayers of an insured province. Third, the producers of the insured province would be saddled with a substantial item of cost which would not be borne by their competitors in uninsured provinces.

[Mr. Martin.]

The answer to all these difficulties, we are told, is a constitutional one. We are told that we all want a system of unemployment insurance in Canada, but that because of the judgments of the judicial committee this is not possible. Well, of course, we have to recognize the findings of the judicial committee, and nothing will be gained by disagreeing with those decisions. At this point, however, I believe I should say that this parliament clearly would have the power, without resorting to the provinces, to bring about an amendment to our constitution in order to clearly and unmistakably endow this parliament with the authority now lacking. I realize that to adopt this method of bringing about the desired end might occasion throughout the country a great deal of dissent and possibly further conflict and lack of harmony. I suggest, just as the hon. member for Comox-Alberni has suggested, that we might face the emergency; we might realize the difficulty of implementing this legislation and, on the basis of the old age pension scheme, pass a national act making it optional in the case of the provinces. I venture to suggest that public opinion in all these provinces, including my own, would resist any attempt on the part of provincial politicians to interfere with the national interest. Moreover, our financial arrangements with the provinces could be so dealt with as to make it financially worth while in respect of other contractual obligations for any province to accede readily to the opportunities offered by a national scheme.

We are told that the great difficulty lies in the province of Quebec. Seemingly Ontario has signified its willingness to accept a scheme of unemployment insurance, if we can accept the *obiter dicta* of some of its politicians. But public opinion in the province of Quebec will not support the premier of that province in his opposition to the scheme, even in the form I have now discussed. I quote from a recent statement of Mr. Charpentier, who was and is president of La Confederation des Travailleurs Catholiques dans la province de Quebec:

However, the Canadian Federation of Catholic Workers would not object to the federal government amending the constitution this very winter, in order to establish a tripartite system of unemployment insurance in this country without any further delay.

There is the observation of the leader of one of the most powerful labour groups in the province of Quebec. They are not willing that opposition to an amendment of the constitution shall interfere with what I believe, with all its limitations, represents in the light