

Unemployment

percentage of defence contracts awarded to British Columbia firms by the federal government. Of a total exceeding \$300 million of defence contracts in the 12-month period ended November 30, 1954, approximately \$15,500,000 was awarded to British Columbia. British Columbia contributes more than 9 per cent of the total income taxes paid to Ottawa, yet we are receiving less than 5 per cent of the defence contracts.

Not only is there the matter of defence contracts. The hon. member for Comox-Alberni (Mr. Barnett) some time ago asked a question with regard to the prefabricated houses that were being used at Comox in the project that was being erected there. He referred to the fact—or at least it was brought out in the reply—that these houses were being supplied by an outside firm and were being shipped from New Liskeard, I believe the place was. That means they were being shipped right from New Liskeard, Ontario, through to British Columbia and across to Vancouver island for use in the defence project there. I should like to ask why these prefab houses could not be supplied by firms in British Columbia? I want to refer to a statement by the manager of the British Columbia division of Canadian Manufacturers Association:

We are very appreciative of the care with which the provincial government insists upon local products and local technical assistance in connection with governmental projects.

I would suggest, Mr. Speaker, that just as the provincial government is careful to recognize and acknowledge the claims of local firms in this regard, so I believe the Department of National Defence should give some consideration to this matter and insist that these products be supplied by industries in the provinces concerned, if at all possible.

Now, there are other matters to which I could refer, such as works projects which have been turned down by the federal government. I could refer to the fact that time and time again I have requested assistance in regard to the erosion problems on various parts of the Fraser river, erosion problems which are caused by navigation and not just by the natural process of erosion, as engineers would claim. My request has been turned down very definitely and very clearly. All these things tie into the picture. I would suggest that some of these things, which would at least give some assistance in solving the unemployment problem as well as make British Columbia feel happier about the whole proposition, should be carefully considered.

[Mr. Patterson.]

We have heard a great deal of talk about public works, tax reductions and the necessity for increased trade. I do not believe that those things alone will provide a solution to the unemployment problem. I was interested in hearing the hon. member for Parkdale (Mr. Hunter) last evening refer to the fact that tax relief should be granted even if it meant a \$400 million deficit in the budget. In considering his statement, I wondered just how much that would increase our national debt, because we are reminded of the fact that even now the interest on our national debt is approximately \$500 million. I do not know just how much more the people of Canada would be willing to accept in that particular respect.

I believe, as I have said, that these other things are good in their place but they will not solve the problem that confronts us at the moment. I feel that Mr. Reuther came very close to the crux of the matter when he was speaking last year, I am not sure of the date, in Vancouver. The title of this article is, "Reuther issues wide challenge". This article is by Herc Munro, the Vancouver *Province* labour reporter. I should like to quote just briefly from what Mr. Reuther said:

People all over the world are looking to the people of the United States and Canada for leadership, and they will judge us as we ought to judge ourselves.

"They will not judge us by the facts that we can turn out millions of tons of steel or millions of automobiles or that we build the highest buildings."

Then he went on to state that they were going to judge us by our ability to translate material wealth into human values, into human progress, into human happiness and into human dignity.

Again, I should like to quote from the article:

We have always been able to mobilize our productive economy and create full employment making the weapons of war and destruction, and the most basic unsolved problem that we need to find an answer to, is the question:

Can we find a way to achieve and maintain full employment in peacetime making the good things of life for the people.

Now, one of the problems that he presented was as follows:

One of the problems is that too many people believe in what they call the trickle down theory of economics, the theory that if you have a banquet table and you load that banquet table with more and more of the good things of life for a few wealthy people on top, they will brush enough crumbs off the table for the people down below.

That theory is wrong. You can only build prosperity, not from the top down but from the bottom up, by giving the great mass of people enough purchasing power to buy the things we