

*Unemployment*

A continuation of the earlier fiscal policy based on allied legislation, in which a bookkeeping viewpoint predominated, would have led to disaster in spite of the Marshall plan and the currency reform. Considering the existing shortage of capital, a continuation of such excessive taxation would have initiated a process of economic contraction resulting in growing social burdens to be met out of shrinking tax revenue and a declining national product . . . It took the only possible way out of this situation it had been forced into, by making tax reductions the first step in its fiscal policy. This applied first and foremost to direct taxation in general and income tax in particular.

There may be those who claim there is no similarity in the conditions which face Canada at present and those existing in Germany at that time, but I believe there is. While their problem was one of having to induce production to quench the thirst of consumer demand, our problem is similar to the extent that at present it is one of having to make possible consumer demand on the productive capacities of this nation. I repeat, I believe that a serious approach should be made, with the thought of reducing some of the sales and hidden taxes on many of the commodities that are required by people.

Hitherto we have heard of most of the cures as being those that involve the government building suitable projects. I believe such a program will do much to brighten the economic picture, but I think that step alone will make only a scratch on the surface of the problem. I say that for one simple reason, namely that under our financial system the government must first extract from the people, by way of taxation, the money for these projects; whereas there is on hand evidence that even now what is lacking is present effective purchasing power in the hands of the people. Giving with one hand and removing with the other is no solution.

But should the government, after careful thought, embark upon such a program I would suggest that priority be given to that type of construction which generates and distributes wealth in our country. In this category I would say are the building of roads, the building of airports, the building of homes, the giving of inducements to the building of the trans-Canada pipe line. These are things that distribute and in themselves generate wealth.

On January 27 when I spoke in this house I drew attention to the need in western Canada for the building of a road from Winnipeg by way of Saskatoon, Edmonton and the Yellowhead route to the west coast. There is also the need for early commencement on the building of a new major airport in the city of Edmonton. I mention Edmonton because at the present time I understand

that the unemployment figure there is unreasonably high. There is also the federal building there that should be completed as early as possible. As I said before, these things in themselves are not the solution to the unemployment problem, but they can help to solve some part of it.

No discussion of the unemployment situation in Canada would be complete without some reference to the subject of automation. We know that technological advancement is progressing rapidly and, as is being done now, in the future machines and science will more and more replace the hands and the toil of men and women. This matter calls for careful study. It might be advisable for the Minister of Labour to set up within his own department a special study group with a view to examining this entire question of unemployment, its cause, its effect, the influence of technological advancement on unemployment and what portion of unemployment is due to overproduction of certain goods for which there is no market.

However, to me the word "automation" spells out a new economic era. I believe that once again science is forcing us to the realization that mankind was not destined to perpetual toil, but was meant to have leisure and to enjoy the blessings of life. In the future the ultimate challenge will be for governments to devise policies to make financially possible the distribution of those things which the purr of automatic motors and machines has made physically possible.

Perhaps all this may sound visionary. I think we should at this time entertain such a vision, for to do less might well mean that there will not be many of us around to judge that we would have been right in making that vision a reality.

Above all, Mr. Speaker, unemployment violates what I consider to be the rights of citizens. We know the people of Canada look to parliament for a solution. If we fail to solve this serious question at this time we may disturb the widespread confidence that the people of Canada have in parliament and in our way of life. It might well be a dangerous thing to fail at such a time in history, especially when we consider that there are many who are waiting to exploit uncertainty and fear.

I request that the government give an answer to the unemployed people of Canada. I trust that when the Minister of Finance presents his budget he will bear in mind some of the recommendations I have made and make his answer satisfactory to the people of Canada, who are anxious to see an early solution to this problem.