

to be developed; housing schemes; rehabilitation; rivers to be dredged; parks to be redeveloped; mining areas to be opened up; reforestation; scientific research; and a thousand and one much needed developments; yet we have unemployment. Have we no materials to do this work? Canada is one of the richest countries in the world. Unemployment insurance, by imposing more taxes, cannot help this. We have not begun to scratch the surface of our wealth.

Again, hon. members will surely agree with me that the Canadian people have not all they need to make them a happy and contented nation. Not one hon. member can say that every one of his constituents has everything needed to make him even comfortable. What is the matter? Are there not enough goods to go around? Surely there are. Then why not distribute them? How can the government correlate the fact that our clothing factories are not producing to full capacity, are not employing all that they could, and that we have all kinds of clothing available, yet the vast majority of people in Canada need clothes? How can the government correlate the fact that Canadians need houses? Many people in Canada live in shacks, yet they live literally in the midst of great forests. How can the government correlate the fact that we are curtailing production of foodstuffs and destroying vast quantities of them in Canada to-day, while thousands of people have insufficient food? I repeat, it is not sufficient to bring in temporary measures of relief, palliatives, unemployment insurance, or any other schemes to relieve the situation for a short time. We must drive right into the root or cause and apply the remedy there. It is indisputable that the reason why so many people are unemployed and poverty stricken to-day is simply that our present inadequate financial system has failed to keep up with the progress of the last two generations. Science has progressed in recent years, and so developed the productive system or machine that it is possible to produce with ease all that is needed to supply the wants of the people of Canada. The system of finance or money, upon which the responsibility of distribution falls, has proven itself old-fashioned, a system adapted to the age of scarcity, utterly incapable of the task, and has miserably failed. It needs modernizing, overhauling and rejuvenating. This is definitely the responsibility of the federal government.

A few days ago the Prime Minister (Mr. Mackenzie King) suggested that unemployment was not alone the responsibility of the federal government. I am surprised that he should take this attitude. It is the duty of

[Mr. Kennedy.]

this government either to remodel the money system so that it will distribute the goods that the people of Canada need, or to take care of the people of this country without imposing any greater penalty by way of more taxes.

I am rather frightened by the implications in the speeches in reply to the speech from the throne, which would indicate that the government is going to force its way through with unemployment insurance. I was worried when the hon. member for Fort William (Mr. McIvor), when speaking on unemployment insurance, intimated that the government must go ahead or blast its way through. What do these statements mean? Do they mean forcing upon the provinces something they do not want, or do they suggest blasting their way through to the pockets of the working people? I submit that is just what contributory unemployment insurance will do.

Again, I am rather surprised at the argument used by the Minister of Agriculture (Mr. Gardiner) and the Minister of Labour (Mr. Rogers) when they say that we must secure foreign markets in order to cure unemployment in Canada. I wonder just what attitude other countries will take to this. If it is necessary for Canada to export goods in order to cure her unemployment problem, is this not just as necessary for other countries to cure their unemployment problem?

Australia, for instance, has an unemployment problem somewhat similar to that of Canada. Ten per cent of her population are unemployed or on relief. Yet Canada has a favourable balance of trade of almost \$24,000,000 with Australia. How can Australia cure her unemployment, if that is the argument? Will she not have to find foreign markets for her goods? What will happen when the saturation point of all countries has been reached? Do our ministers suggest that when that time comes we shall need a war or some other disastrous method of creating markets, or do they think they can discover some new country or civilization to which they can export, so as to cure our unemployment problem?

Another question in the minds of many people when unemployment insurance is being discussed is this: How are the hundreds and thousands of those Canadian people already unemployed to be provided for? Unemployment insurance, and especially contributory unemployment insurance, is for those who are now employed. I might add that it will benefit only those who are permanently employed. It would bring only temporary assistance to those of our people who are only temporarily employed. Approximately ten per cent of our Canadian people are on relief,