

*Proposed Committee on Unemployment*

rampant not only in our own country but everywhere in the world, in both free enterprise and socialist countries. We realize that with conditions becoming worse and worse the Minister of Labour (Mr. Gregg) had little to offer except the hope that what had been done under unemployment insurance and other social legislation had more or less cushioned the impact of unemployment.

But what does he admit? On the 26th of January he placed before the house certain figures indicating that in December, 1953, there were 338,000 applications for work. If I took down his figures correctly, today that figure is about 520,000, an increase from 6.4 per cent to 9.9 per cent of the labour force, an increase in one month of 50 per cent in those who come within that category. That type of statistic constitutes its own warning, and it demands action on the part of parliament.

I do not want to look back, but you will remember, Mr. Speaker, that during the election campaign only six months ago any suggestion of the probability of there being unemployment, any expression of the view that we had not sufficient markets for Canadian wheat, that agricultural markets were being lost, that our trade situation in different parts of the world was unsatisfactory in its implications, was met by ridicule. What are the conditions six months later? We of the official opposition have no desire to arouse the people in any way to apprehend that there is a hastening economic disaster, but the facts should be stated. We realize now, as we pointed out last summer, that our international trade, upon which 24 per cent of the people of Canada are dependent, is in a serious situation. Production has caught up with demand, in many businesses. Lay-offs are continuing.

What of the world trade situation? Does parliament know anything about it? A few months ago, during the election campaign, the Minister of Finance (Mr. Abbott) said in effect, when we spoke of convertibility, that it could not be achieved, that it was just a fantasy and a dream on the part of the opposition. We contended that 50 per cent of the world trade within the sterling bloc was lost because this government did not see fit to call a conference in an endeavour to secure convertibility so that trade in that area could be established.

Six months ago they said it could not be done. Ten days ago the minister said in effect, "We are closer than would have been expected a matter of a year ago". Why all the silence regarding the Sydney conference? What happened there? What was decided there? Only tonight I read an editorial in

[Mr. Diefenbaker.]

the *Ottawa Journal* which asks the reason for all this silence about Sydney. It mentions the communique issued at the conclusion of the conference, and quotes from the *London Economist* which termed that communique "a jumble of careful contradictions, in eight pages of double-talk and bad grammar". What was decided there? What is going to be done to meet the situation regarding trade? What is the hope for the future? Unemployment will necessarily continue to mount unless something is done to open the channels of trade.

And what is to be done about taxation? A few short months ago, during the election campaign, I recall again that we pointed out the dangers of the dead weight of taxation, which was squeezing Canadian trade out of world markets. What is going to be done about it? Are we being priced out of world markets in part because of taxation which is being imposed unnecessarily by this government?

Those were our views a few months ago. Those views were ridiculed. Now we find officials of great banks in our country indicating that one of the main reasons we are being priced out of trade today that previously we held is the fact that taxation and other costs are making it impossible for us to meet competition. I have before me a summary of a speech delivered by Mr. Muir, president of the Royal Bank of Canada, which says:

Some evidence of a buyer's market after years of inflationary pressure should not be regarded as an unmixed evil. The three economic stimulants available are tax reductions, price reductions and easy credit. Tax reductions are always helpful, of course.

And then in detail are set out some of the needs in the present situation. What could we find out in a committee? What attitude does the government take with regard to world trade conditions?

In a recent speech the president of the Banque Canadienne Nationale refers to the dangers inherent in loss of trade internationally. In my opinion equally serious is the present improvident trade balance as between Canada and the United States, which cannot but have a detrimental effect upon full employment in Canada. He says:

The export trade of Canada contributed to the national income to the extent of some 24 per cent. As our country increases the exploitation of its natural resources and develops its means of production, it should enlarge its markets abroad. However, far from achieving this purpose, it has suffered an appreciable decline in its exports during the past year.

Parliament sits. Does it get any information about what is going to be done by the government, or what its trade policy will be