

the chart indicates. An interesting factor is the ever-widening spread, which is likely to become still wider. Perhaps it might be well to note that the figures given are for August. The prices of western grains have declined sharply since that month, May wheat being now below 90 cents. The price situation does not reveal the whole story; if western Canada had a phenomenally large crop the situation would be different, but not only are the farmers receiving lower prices this year, but they have had a very poor crop.

Having protested, first of all, against the time at which these changes have been made, and the circumstances under which they have been made, having protested against the nature and extent of the changes themselves, having protested against the manner in which these changes have been made, having protested against the absurd representations made by the Prime Minister with respect to prices and the protection of consumers, may I protest further against what is certain to be the effect of these changes. This session of parliament has been called to aid unemployment, but I venture to say, Mr. Speaker, that the effect of these changes will be not to aid unemployment but to increase the problem of unemployment. Through extending, on the terms and conditions mentioned, privileges to certain interests, limited results in providing increased employment may accrue for a time. May I give to the house, however, a thought which must come quickly to anyone who reflects upon the situation. Unemployment to-day exists for the most part, so we have been told, in the cities and towns because men tend to gravitate from the rural parts of the country into the urban centres which in turn become congested. What is going to follow this legislation? From one end of Canada to the other it will be known, it is already known, that special favours have been conferred not upon those who are in the agricultural portions of the country but upon those who are engaged in manufacturing in the cities and towns. The country is being told that the manufacturers are to be secured in continuous employment, and that the prices of their commodities are not to be allowed in any way to decrease. The inevitable result will be an intensified drift from all the rural parts of Canada into the urban centres of population. As the centres of population, already crowded, become still more crowded, the unemployment situation will become worse and worse. There is no doubt about that. That is only the temporary effect, but what is likely to be the permanent effect? The permanent effect

8-1930-2½

will be to exaggerate in this country the difference already too great between the urban and the rural populations. If unemployment is ever to be cured in Canada, it will be cured first of all by getting and keeping as many people as possible on the land through policies which will tend to that end. The more prosperous the rural parts of Canada are made, the better it is going to be for the urban portions. But if the urban portions are to be built up artificially at the expense of the rural portions, then on the one hand there will be the crowding into the cities with increased numbers to deal with, and on the other a diminishing population in rural areas. The cost of living will necessarily increase owing to the fact that farming will become increasingly more difficult and expensive and that prices of manufactured goods are artificially enhanced. Alike on the score of the diminution in the supply of labour and on the score of the increased cost of production especially where heightened by increases such as are now being made in the tariff on agricultural implements, there will be continuous increase in the cost of living. With respect to Canada's future, I can think of nothing more unfortunate than legislation which in this country tends to take the people from the land into the cities. The only kind of legislation which should be presented to parliament with a view of meeting the economic situation in Canada is legislation which, as between the country and the cities, will at least not confer favours on one at the expense of the other. This legislation cannot possibly help the unemployment situation in any permanent way owing to what it will involve in the way of increased cost of production and increase in the cost of living. As I have indicated the duties on practically all agricultural implements are being enhanced many per cent, running up as high as 100, 200 and 300 per cent. As the cost of production of the articles on the farm is increased, it is going to be more and more difficult to keep down the cost of living in the cities.

What is most serious of all is the effect which this legislation is likely to have upon the trade of Canada. Hon. gentlemen opposite speak of the home market as if the home market meant a locality instead of a fund of purchasing power, which it is. The home market is the fund of purchasing power in the country where purchases are made, and as every hon. member well knows, purchasing power is derived first of all from the products that are raised and sold within the country and then from the surplus of production which is sold abroad. If the cost of production and

W. L. Mackenzie King Papers

Speeches-1922 - 1932

PUBLIC ARCHIVES
ARCHIVES PUBLIQUES
CANADA