

Proposed Committee on Unemployment

linked up with the textile industry of the United States. I think if anyone will chase them down he will find that most of them are pretty closely linked up. The result is that they may not be very much concerned about maintaining a plant in Canada, if by folding it up they can leave the market open for the textile industry in the United States, in which they are financially interested.

That angle should be checked; and I think it is being checked by the government. So, you see, there are all kinds and types of unemployment; they can be put into all kinds of classifications. But they all add up to the same thing: unemployment. And I think members of this house are going to have to sit down and be realistic about the matter. They must realize that as soon as possible something has to be done in Canada to head off mounting unemployment.

And this unemployment is not confined to textiles. You have it in the coal mines; you have it in the steel industry; you have it in textiles, in lumber, in the fisheries. We have it all over. And we want to be prepared to take a look at it for what it really is. It is the second phase in the cold war. Russia today has put on a trade offensive right around the world. She has dumped her gold reserves on the world market. She has embarked upon that offensive, and has provided the money wherewith her goods might be bought. As a result this North American continent is the target, so far as that offensive is concerned.

We want to be realistic, and recognize the situation for what it really is. If the employers in this country are concerned about maintaining democratic institutions, then they must not sit down and force the government, or sit back and depend upon some mysterious thing coming out of all those slogans to find a solution for them. It is up to the employers of Canada to sit down together and to realize that they are the people who have the most to lose. In addition to that, they are the people who can do something about this question of unemployment. While the government can take certain measures to help, very definitely employers across this country must co-operate with the government 100 per cent if this developing unemployment situation is to be overcome.

A few days ago the Acting Prime Minister (Mr. Howe)—and the hon. member for Vancouver-Quadra (Mr. Green) made reference to this—in talking to a delegation of workers representing the workers in implement plants told them, according to press reports, that they were pricing themselves out of the market. Well, there is something in that; but the Acting Prime Minister did not go

[Mr. Gillis.]

back far enough. I agree that perhaps the farm implement industry to some extent has priced itself out of the market; but what is the reason for that? Let us see who started this business of price increases in Canada. In so far as farm implements are concerned, we know that early in 1946, right after the close of the war, an appeal came to the House of Commons asking for an increase to the extent of \$5 a ton in the price of raw steel produced by the steel manufacturers of Canada. That meant about \$14 or \$15 a ton increase in fabricated steel. And we know that steel is basic to the whole economy of our country: when steel goes up, everything else goes up.

We argued against and fought that increase here in the house on the ground that it was a first step toward breaking price controls and setting up the spiral of inflation. But we know the steel industry got that \$5 a ton increase. Then it was only a few weeks or months later when farm implements, and everything else in this country, went up in price in proportion to the increased costs.

Mr. Howe (Port Arthur): May I ask my hon. friend if he is not forgetting the first stage. I think the first stage was the demand from the steel workers to break the wage ceilings.

Mr. Blackmore: That was the second stage.

Mr. Gillis: Yes, that was the second stage. The Acting Prime Minister will recall what happened, I am sure, because we were both members of the committee on industrial relations and listened to the whole steel dispute. One of the main arguments used by representatives of the steel workers before that committee was that there was no reference to the point as to whether a certain proportion of that increase would be used to increase wages. The government allocated the increase, and how it was to be used.

The first round was when the steel industry demanded that increase. Then, on top of that came the demand for increased wages—a very modest demand in comparison with what the manufacturers were looking for. And that is where it all started. From there on it went up, up, up. We tried to hold the line in the House of Commons. Our argument was that in the aftermath of war, if price controls were ever necessary, then most certainly they were necessary for at least three or four years in that period of time when we were getting back to peacetime conditions. We know of course that a lot of exploitation takes place in a period of that kind.

Nevertheless that was when the spiral began. So that the Acting Prime Minister cannot very well contest that point. It is all