

Unemployment

a coal mine is not to supply jobs but rather to produce coal, and the fact that we have employment is a happy consequence of that process. Of course there are those who feel that the profit motive is responsible for much of the unemployment situation. No one in this house is more opposed to unreasonable profits or exploitation than I am. But suppose we did distribute the profits created by industry among the workers and the people generally; would that be the solution to unemployment? Anyone who has studied the economics of our country knows that is not the answer, because all that could happen then would be a very thin distribution of the purchasing power already in the country, whereas what is required is supplementary income in order to enable consumption of the tremendous productive capacity of this nation.

Furthermore, there are those who feel that the answer is to be found in increasing wages. In this respect I think labour has been justified in asking for increased wages. When we consider the tremendous cost of living it is only reasonable that labour should wish to have fair reward for its efforts. I have in my hand an interesting list giving comparative prices of commodities in 1927 and 1955 compiled by the senior citizens' association of British Columbia. It indicates that in the year 1927 a pound of butter cost 42½ cents. The January, 1955 price was 65 cents for a pound of butter. One dozen eggs in 1927 cost 34 cents and in January, 1955, a similar dozen eggs cost 46 cents. A pound of tea cost 49 cents in 1927 and in January, 1955, a pound of tea cost \$1.40. Coffee cost 34 cents a pound in 1927 and cost \$1.23 in January, 1955.

It is quite obvious that because of the high cost of living labour is justified in asking for some measure of wage increase in order to reward it for its toil, but I do not think increased wages is the answer either. As we know, wages are always incorporated into the cost of production. Therefore if the price of goods is raised by reason of increased wages in what way does the labourer better himself when he has to pay higher prices for the commodities he requires?

Further, there is the charge that if we could somehow improve the relations between industry and labour the solution would be found. Certainly that situation is desirable. I think it is a great mistake for labour to quarrel with industry. The fact is they are both in the same boat and are harassed by the fiscal policies of this government. As a matter of fact there are those who are interested in these two parties quarrelling violently between themselves in order to

distract the attention of labour and industry from the real cause of their trouble, namely the vicious taxation policies of the present government which rob purchasing power from the people and encourage government spending.

During this debate we have heard some excellent presentations and suggestions. In my humble estimation the hon. member for Bow River (Mr. Johnston), the hon. member for Lethbridge (Mr. Blackmore) and the hon. member for Acadia (Mr. Quelch) gave a scholarly analysis of the situation, and recently the hon. member for Cape Breton South (Mr. Gillis) in a portion of his address came to grips with the subject when he referred to the lack of purchasing power in the hands of the people.

There is no question in my mind but that unemployment is one of the first symptoms of a condition wherein there is a lack of effective consumer demand on the productive capacity of our country. The problem then is for us to devise ways and means of stimulating consumption and restoring purchasing power to the people. Under our present method of operation there is only one way by which this can be accomplished; that is to have a thorough and realistic approach made to the entire Canadian taxation structure, and to remove or reduce those taxes on personal incomes and corporate bodies that restrict and retard investment, consumption and production of the goods required in our country. Such reductions will act as a stimulus.

Further evidence that there is insufficient purchasing power in the hands of the Canadian people is easily found when we examine the high figures of present-day instalment buying. I am not saying that instalment buying is a bad thing entirely. Were it not for instalment buying the pile of surplus goods which our country has produced would be higher still. I refer of course to durable goods such as cars, heavy machinery and homes, which could not be acquired without instalment payments. I wish to stress, however, that the present high level of instalment buying may present itself as a serious problem at some future date, in that purchasing power will be used to eliminate debt rather than to acquire the goods and services which will be coming off the assembly lines in the future. I believe that here also a sensible reduction in the taxes of our country, primarily in some of the hidden taxes on goods, will alleviate the situation and restore some of the purchasing power of the dollar.

We are all aware that our present taxation structure has adversely affected our domestic