

*The Budget—Mr. Macdonnell*

The Minister of Finance said:

We are so dependent upon foreign trade and so closely linked in many ways with the fortunes of the United States and our other trading partners that we are bound to be affected, for good or ill, by the swings of economic activity originating outside our own borders.

The minister has repeated that in other words many times in the last year. For myself, I shall be satisfied if I can make a contribution, however small, to this question which I believe is urgent. I believe we disregard it at our peril as well as at violence to our better feelings.

We cannot leave everything to the government. The government has done well but public opinion has to do something. The Secretary of State for External Affairs (Mr. Green) the other night in Toronto put this very question to the audience and found that only a few of them were really interested to the extent of being prepared to do anything about it. I deal with this question on the budget speech rather than in the external affairs debate because I wish to stress its economic aspects. I wish to stress its relationship to and influence upon unemployment.

I believe it can be said today, looking at the problem both from a humanitarian, political and business point of view, that we are justified in saying "the hour for dealing with this question has been long averted, has been long delayed; but it was always inevitable and it has come at last." I believe that with all my heart.

Hon. gentlemen opposite of the Liberal party have introduced a certain number of suggestions but their chief ideas seem to be financial devices of which the opposition are so fond. What I want to pin our attention to is what I believe to be the real need—this has been stressed by the Minister of Finance many times—for increased foreign trade.

I am tired of the words "emergency" and "depression". We all know how serious unemployment is. We on the government side of the house are as much affected by it as anyone—perhaps even more affected by it because of our responsibilities—and I think that bandying about the words "depression" and "emergency" will not get us anywhere. What I want to do is try to state in plain words what is the situation. Once we know what it is we will know where to go from here. For the sake of clarity I am going to read a short statement:

The first fact to be understood is that unemployment though serious in some places, exists in the midst of national prosperity, not as high as the government predicted but still high in the nation as a whole.

And further, relating to the unemployment situation:

[Mr. Macdonnell.]

It may require special measures and increased public expenditures out of taxes in some areas but above all it requires a readjustment of our economy to a changed situation, to new competition in the world market and to the buyers' resistance against high prices in the domestic market. It requires in short, a reduction in costs and prices to encourage the sale of goods at home and abroad.

I suggest without fear of contradiction that this is an apt description of the government's policy. It may interest hon. members to know that that is a quotation from the *Winnipeg Free Press*, a newspaper not notoriously partial to our party. It appeared in an August issue. It may be said, "Oh, but that was last August." I answer at once and say, "Yes, the statement appeared last August but the situation has not changed substantially since then."

I want to quote another witness, the president of the Canadian Bank of Commerce, speaking at the annual meeting the other day. He deals in clear, crisp words with what I believe is the true situation.

After referring to aspects of international trade, particularly the common market in Europe, he goes on to say:

These developments on the international scene accompanied as they have been by slower growth in the Canadian economy have forced us out of the complacent mood which characterized the post-war years. Instead of an insatiable demand for our natural and processed products abroad, we face competition from many other countries, and the European common market may possibly soon be self-sufficient in many commodities which Canada has traditionally sold to some of its members. This outlook might dispose some of us to be gloomy but in fact there is no more room for discouragement now than there was for excessive optimism a year ago.

Here are really plain, accurate, intelligible words from competent observers which I believe describe the true situation.

My comments on the budget will be very short. This remarkable infant is tough and resilient. You might call it a "tough baby". It needs little defence because it does not pretend to work magic. As the hon. member for Carleton (Mr. Bell) has said:

It is a sincere, honourable and intelligent grappling with a dislocation, part of which is seasonal, more of which is technological, all of which will respond only to a variety of treatments.

Aid to underdeveloped countries is an additional treatment which I wish to suggest.

Let us briefly examine the contributions made by hon. members of the opposition. We must not be too critical. Hon. members of the opposition are still not perfectly at home in their role as the opposition. They still at times have a feeling that they are or ought to be the government. After a few years more they will feel more at home and will perhaps function more efficiently.