

*The Address—Mr. Diefenbaker*

**Mr. Diefenbaker:** I should like now to point out something. It has been said on a number of occasions that if Canada was as prosperous as we said it was, that if the upsurge of prosperity was increasing—I will put it that way—then how could this arise? I will go back to 1947 and read what Mr. Abbott said in his broadcast of that day. He said:

Let us keep our difficulties in their right perspectives. In comparison with most of the rest of the world, we are a very fortunate people. Our trouble arises from the misfortunes of other countries, not from any basic weakness in our own economy. Our basic position is sound.

Then he states:

Our level of employment is at a maximum.

**Mr. Pickersgill:** So it was.

**Mr. Fleming (Eglinton):** And you had an exchange crisis.

**Mr. Diefenbaker:** I continue with the quotation:

We are producing at a high level and at a relatively low cost. This country of ours has had a notable record of achievement during and after the war—a record which has given us self-confidence and raised Canada's stature in the eyes of the world. Let us keep up that record in surmounting the present emergency, conscious of our responsibilities and confident of our great future.

That is what he said in that year. It has been said that I deluded the people of Canada by saying that the economy was on the upsurge and then immediately after the election announced that there was a crisis in international exchange.

**Mr. Martin (Essex East):** Something which the Prime Minister had denied during the election.

**Mr. Diefenbaker:** Yes, and I will deal with that matter in a moment and with great detail and it will be more than the hon. member wishes to hear. I would remind you also, Mr. Speaker, of this fact. I have not before me at the moment the quotation from Mr. Mackenzie King dealing with this matter when he said that there was no relationship between prosperity and such a matter arising suddenly. He went on to point out that it was something that had taken place in other parts of the world and that action had to be taken without delay because of the rapid depletion of the exchange reserves. With that background and also with the quotation from Mr. King I shall deal with the matter. In what Mr. King said there is no talk of mismanagement or wasted years or about getting the economy moving or about bold and imaginative this or that. This is what Mr. King said:

Matters have come up in connection with the depletion of our reserve of United States dollars. This is a very urgent matter and is to be taken up at this stage of the session as well...

No country in the world is as much dependent as Canada is upon foreign markets, and the development of this nation, as my hon. friend knows very well, lies in our having the largest possible measure of opportunity to trade with other countries of the world. The Geneva agreement is something that has not been equalled at any time in negotiations between nations... It is a great triumph; and it is right that the people of Canada, when they are discussing these emergency measures which are unpleasant, which are the last thing in the world that this government would wish to bring down at this time, should fully realize that they are temporary measures.

Then we find these words. They pin the appearance of falsehood on those who said I endeavoured to mislead Canada by saying the economy was on the upsurge. What did Mr. King say? He said this:

It is out of the prosperity that we have had in this country that this situation has arisen. If our people had not been making and spending the money they have they would not have been purchasing to the extent they have in the United States, particularly great quantities of luxuries. I will not go into that question tonight, but the government wants the people of Canada to understand that these emergency measures are temporary in character. The people must not be blind to the larger opportunities that are going to come out of the Geneva agreements as a consequence of the agreement that was reached there.

Then he says this:

As my hon. friend well knows, we had to put the emergency measures into force at the moment we did and not wait any longer because of the fact that otherwise as, in the case of the budget resolutions, all kinds of advantage would have been taken by those who wished to profiteer and those who wished to benefit from changes that were to come about. This is not an emergency session. We carefully considered that very point. The government might have had an emergency session to deal with these questions only, but we felt that the people of Canada and hon. members themselves would much prefer to begin the regular session now... This is the regular session of parliament for the balance of the present year...

Then what did Mr. Abbott say about it? He spoke of the existing prosperity and he said that there was no unemployment. This was two years after the war, when Japan and Germany had been crushed and when there was a tremendous demand in other parts of the world for our Canadian needs and requirements. There was no difficulty whatsoever to secure markets. He said this:

I have repeatedly said that I regret the necessity of placing this highly protectionist measure upon the statute books; but I think it would be folly to fail to recognize that this is an emergency. It is not a situation which has been created by Canada.

I hope once and for all that will answer the argument that you do not have foreign exchange difficulties at a time of increasing economic strength.

The Leader of the Opposition wished to ask a question at that stage.

**Mr. Churchill:** He has forgotten it.