

The Address—Mr. Diefenbaker

He says:

Canadian truck makers are scrambling to build more of their products in Canada. They are responding to the cost pressure brought on by dollar devaluation and surcharge on imports. Domestic competition has priced some imports almost off the market. Ford Motor Co. of Canada Ltd. will build in Oakville its 850 and 950 heavy-duty tandem series of trucks, as well as heavy conventional trucks using V-6 Cummins diesel engines.

"This is a direct reflection of the surcharge situation", a spokesman said yesterday. "Ford Motor Co. added the vehicles to its line, and rather than import, we decided to build here".

Ford of Canada has also added a long-wheelbase 66-passenger school bus to the variety of vehicles it produces.

General Motors of Canada Limited will build heavy-duty diesel truck models in Canada for the first time, starting with the 1963 model year. These units were previously imported.

They put these things into a speech. We bring them to reality.

Mr. Martin (Essex East): There is more unemployment now than at any time.

Mr. Fleming (Eglinton): Are you crazy? Thou art beside thyself; much learning doth make thee mad. Poor old Paul.

Mr. Diefenbaker: Mr. Speaker, I should have thought that the hon. member knew something about automobiles and trucks, but apparently he has not kept up to date either. Let me read on.

The company said its decision to build here was made last winter and stemmed from market studies. Devaluation of the dollar and the surcharge on imports reinforced the decision, a spokesman said.

GM of Canada says 10 new series incorporating 35 different types in the highway tractor and truck category will be made in Canada for the first time—

Mr. Fleming (Eglinton): Better get a doctor, Paul.

Mr. Diefenbaker: The article continues:

The company, which assembled 32,000 1962 trucks expects to make as many or more in the 1963 year...

Howard Dewsbury, general manager of Mack Trucks of Canada Ltd., said: "There is no doubt that Mack will be manufacturing in Canada by early 1963. We intend to build engines, transmissions and rear axles here."

Mr. Martin (Essex East): Go and ask the workers in the automobile plants what they think of this government.

Mr. Diefenbaker: As I listen to my hon. friend, I think of those words in the scriptures:

Paul, thou art beside thyself; much learning doth make thee mad.

The article continues:

Mr. Dewsbury said dollar devaluation and import surcharges were factors in the decision, as well as the desire by the company to make in Canada a great deal of the product it sells here.

He said production of heavy-duty models should start within six months. About four sites are being considered. White Motor Co. of Canada Ltd. should

[Mr. Diefenbaker.]

drive the first units of its 1500 and 4000 series away from its Brantford production facilities in December—

And I could go on. These are the things which have been brought about as a result of action by this government.

I ask, why are we criticized in this way? Because I read from a book called "Troubled Canada". It says:

The high exchange rate for the Canadian dollar made it easier for imported goods to compete successfully with goods produced in Canada; they could be sold at lower prices in Canadian dollars than would have been possible if the Canadian dollar had been at par or at a discount. It meant also that Canadian exporters received lower prices for their sales in other countries when converted into Canadian dollars than they would otherwise have done. Thus the premium on the Canadian dollar worked to the disadvantage of both our export industries and our domestic manufacturers...

There is, of course, one tangible disadvantage that accrues from the reduction in the exchange rate which should clearly be stated. A substantial reduction in the exchange rate for the Canadian dollar would be bound to have some effect—

This is the considered view of one who wrote a book—

—although not necessarily any great effect on the cost of living.

Then there is this concluding paragraph:

It is probably true to say, however, that the increased costs or losses of this nature would be far outweighed by the economic and psychological gains to be derived from increased activity in Canadian industry and a reduction in the number of people unemployed.

Mr. Pearson: They had to wait for an election campaign to do that.

Mr. Diefenbaker: My hon. friend says "wait till the election campaign". I am bringing forward the answers to the kind of false propaganda which has been spread. Some of them criticized and spoke of this dollar and used my name in that way. What did Mitchell Sharp say on December 26, 1961? He said:

The recent change in the exchange rate was all to the good and the results are already being reflected in the statistics—a slowing down in the rate of increase in imports and a further increase in exports, both of which encourage employment within Canada. Full advantage of the long delayed shift cannot be expected, however, until there is a greater degree of confidence that something like the present rate will be maintained. An investor in new manufacturing facilities has to take a long view of competitive factors at home and abroad. The government could help him by deciding and setting the exchange rate they intend to maintain.

Now, that is exactly what we did, and the authorities in the Liberal party, the economists, said that was the proper course to follow. Then when we followed it they said it was not to the benefit of Canada.

An hon. Member: Shame.