

The Budget—Mr. Pitman

our minds made up that it will not take place? What would happen to our economy if it did?

Second, what is going to happen when Canadian trade has to compete more openly and more often with what low-wage countries have to offer? The gap is widening, between the "haves" and the "have nots" and it is serious. The people of these countries know what the situation is; they are no longer ignorant of our wealth as they were some 20 years ago when tariff barriers were regarded as a solution. We live in a world where two people out of every three go to bed every night hungry. Will we raise tariffs and make the situation worse? How are we going to compete with these low-wage countries? Would it be by greater efficiency and automation which will, at the beginning at least, create still more unemployment, though it will cut down cost of production?

These questions will have to be answered in the near future. What will happen when the U.S.S.R. and communist China decide to disrupt world trade by entering world markets? Will the economic organization of the Canadian nation be able to deal with that situation? These are reasons why I think, we need, tonight to think and re-think far more about the very basis of our economy. Can we any longer afford an economy where waste and obsolescence are the order of the day? Such far-reaching questions as these will come before the people very soon. I sincerely hope the government of the day will have answers to them.

Mr. Speakman: Would the hon. member permit a question. Has the hon. member made a comparison between Canada and some of the Scandinavian countries, countries of very small area and heavily concentrated population? Would he not be fair enough to carry his comparisons further and compare them with Canada geographically, on the basis of per capita income, population and so on?

An hon. Member: And standard of living.

Mr. Pitman: I do not think that question is too relevant to what we are considering at the moment, this matter of relative populations and so on, but I suggest it is perhaps only a matter of degree and that the answers would not make any great difference.

Hon. D. J. Walker (Minister of Public Works): I want to congratulate the hon. member for Peterborough (Mr. Pitman) and tell him that he is a very eloquent speaker and also that in time, with experience in the house such as many of us, including myself, still need, he will find that these problems are not solved as simply as he would indicate. I want to congratulate him anyway. I should

[Mr. Pitman.]

like to have an hour or so to spend with the hon. gentleman during which time we could compare the record of this government during its three years in office with that of the preceding government. We have loaned 16 times as much money to build housing. Since we came into office more than 500,000 new homes have been built in Canada including a great many low rental housing developments. It is my earnest hope that the present hon. member for Peterborough will some day attain the distinction, charm, warmth and kindness of his very distinguished predecessor the late Mr. Gordon Fraser in this house.

The Leader of the Opposition (Mr. Pearson) made a speech in connection with this baby budget during which he made many references to the copious resolutions passed at the Liberal rally. May I briefly, dispassionately and in a kindly way make reference to some of those resolutions and draw a comparison between the words used at the rally and the actions of the preceding government.

Turning first to the question of foreign trade—and all of these subjects are applicable to the baby budget—the Liberal rally pledged:

—the exploration of the possibilities of Canadian participation in regional trade blocs—

They pledged to expand Canada's foreign trade, and yet for eight years under the Liberal administration that government failed to take any steps to implement its obligations in this respect under the North Atlantic treaty of 1949. When the opposition of that day entreated the Liberal government to take some action the present Leader of the Opposition who was then secretary of state for external affairs admitted that he had had a considerable amount to do with introducing into the North Atlantic treaty article II which became known as the Canada clause, the effect of which was to urge the creation of an organization for European economic co-operation and development. When the hon. gentleman was challenged about that in the house he said, as reported at page 1657 of *Hansard* of 1952 that this was not practicable, remonstrating that:

—in attempting to reduce the barriers to trade, we have to be careful not to introduce arrangements which would cut across arrangements already made between members of larger organizations—

such as the United Nations and GATT. The result has been, of course, that the European allies have now formed trade blocs among themselves and we are endeavouring as best we can to re-establish ourselves in our second largest export market and get our foot in the door through the organization for European economic co-operation and development.

In connection with the Bank of Canada that eloquent ghost writer for the Liberal party who writes so many speeches for so many of