

The Address—Mr. Diefenbaker

Stock market prices have increased, bond markets have strengthened and the general public has increased substantially its holdings of long term, government of Canada bonds. There have been the domestic issues of government securities, one for \$200 million and one \$150 million, in July and September respectively. There have been some declines in interest rates, particularly in the short term market. In recognition of the decline in short term market interest rates and the rise in the exchange reserves, the bank rate was reduced on September 7 from 6 per cent to 5½ per cent. We have, I think, good reason to be pleased with the results achieved so far. There is every expectation that the improvement in our external financial position will continue. At the same time we are pressing ahead to find solutions to our longer terms problems in order to be less dependent in future on securing large imports of capital to make up for the deficit in our current international account. Canada's success in dealing with this problem over the years will also improve the production and employment situation.

I intended to deal as well with the common market because that subject was dealt with at great length by the Leader of the Opposition (Mr. Pearson). I dislike speaking at this length, but having to follow the hon. gentleman I think I should defer making a statement on the common market.

The stand that I took in London—and I summarize—was a stand in keeping with the tradition of the leaders of this nation in the past. Recognizing the need of preserving the commonwealth and strengthening it, we were called together to give our views as to the political and economic effects of Britain's entry into the common market. Those views were given calmly, quietly, and, as was stated by Mr. Menzies, without rancour in any way. We said to Britain: This commonwealth means much to us because, after all, it was a concept—and the Conservative party knows this—of Macdonald in 1864. He saw the picture of the development of the commonwealth. He foresaw the day when Canada and Australia would be joined with what was then the motherland on behalf of the things of freedom which have characterized this commonwealth throughout the years.

I went there. I presented Canada's viewpoint. I presented it on behalf of all Canada. We were asked to give our opinions as to what effect this move would have, what changes would be made, what safeguards should Britain obtain. The Prime Minister of the United Kingdom said: I want your opinions; I want to know; it is not a question of choosing between the commonwealth and the common market; we want to know what

effect all this will have; we believe we shall be able to bring about a new concept in Europe but at the same time we have given an assurance, and we stand by it, that in entering Europe we shall safeguard the necessary interests of the commonwealth; we shall not weaken its fabric; we shall not do anything which in any way will lessen its significance.

I presented Canada's viewpoint and I shall have an opportunity very soon to go into that question in detail since, after all, it was this party, the Conservative party, which during the years has taken its stand believing in the strength of the commonwealth. Speaking before that group of prime ministers I mentioned Canada's essential needs, making it clear at all times that there was no veto, will be no veto and dare be no veto under the commonwealth system. Was I alone? There were 13 others with me who took the same viewpoint. All of them expressed that viewpoint and all were in agreement in the communique which indicates the degree to which this family of nations has learned to bring together the various colours and religions of man and, through discussion and consultation, arrive at conclusions beneficial to all.

I make it clear that I shall be dealing with this subject at greater length at a very early opportunity, I hope, should the house vote confidence in this government.

What is our plan for the future? We have set forth in general our plan in the speech from the throne. The objective is development, expansion, growth, the encouragement of trade, the production of jobs, the acceleration of industry, the maintenance of agriculture, the giving to the people of Canada a degree of assurance such as no other government ever did in the same period. Moreover, we shall continue to maintain the Canadian nationality—to maintain Canada—not forgetting the least of the people of this country in social security measures, the increase of which in five years has more than doubled anything which has ever taken place before. I hear the opposition saying that they are coming out in favour of health insurance. They are in favour of it. Well, they have held that view for almost a generation.

Mr. Fulton: Longer than that.

An hon. Member: Since 1919.

Mr. Diefenbaker: We believe we should wait until the economic situation permits us to go further forward and in any event until a report is received from the royal commission on this subject so as to avoid the pitfalls which the members of the opposition found in the application of a hastily constructed health plan within my own province.