

**Hon. Thomas Reid:** Honourable senators, in rising to take part in this debate I should like first to compliment the honourable senator from Blaine Lake (Hon. Mr. Horner) who is occupying the Speaker's Chair this evening. I say most sincerely that this is a recognition that is due him.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Reid:** It is not my intention, honourable senators, to deal extensively with remarks which have been made by the various speakers during this debate, because I am speaking tonight for a particular reason which I will develop in the latter part of my speech. Therefore, I am going to touch upon only one or two statements made by earlier speakers.

First, may I say that I agreed with everything said by the Leader of the Government (Hon. Mr. Aseltine) in his speech, with the exception of his advocacy of the Government's intention to proceed with the building of the South Saskatchewan River dam. Although I do not come from the province of Saskatchewan, I think it is the duty of every senator to look over Canada as a whole and take some interest in its problems. When I read the report on the proposed dam and saw the estimated cost of \$247,500,000 for irrigating 450,000 acres of land, 75 per cent of which is grade 2 and grade 3 land—which works out to a cost of about \$500 per acre—I began to wonder whether, in view of our difficulty to sell our wheat and other crops, it was advisable to give this project any priority or to turn to more urgent needs.

**Hon. Mr. Euler:** Hear, hear.

**Hon. Mr. Reid:** I cite one short statement from the Gordon Commission Report: Canadian agriculture, it said, is able to meet the demands in Canada for at least the next ten years.

We were all interested in the statements with regard to trade and inflation which were made by the honourable senator from Shelburne (Hon. Mr. Robertson). When he mentioned that on the average wages in the United States are 25 per cent higher than in Canada, the thought arose in my mind that it would be useful to know how the *per capita* production in the United States compares with that in Canada. The most reliable figures I could find indicate that production in the United States is 27 per cent to 30 per cent higher than in this country. I suggest that this is a matter which could very well be made a subject of inquiry, for if wages and the cost of living continue to rise without a parallel increase

of production the time will come when conditions in this country will be extremely serious.

**Hon. Mr. Quinn:** May I ask the honourable gentleman a question?

**Hon. Mr. Reid:** Certainly.

**Hon. Mr. Quinn:** Would not the cause of the difference in production be the greater amount of automation in the United States than in Canada?

**Hon. Mr. Reid:** I am not sure. As I say, it is a subject which would be well worth going into. I note, however, that in one European country—Sweden, I think—an agreement has been concluded between labour and industry whereby, for the next three years, labour guarantees that its productive output will not decline. I think this is well worth the attention of labour in this country.

I have a word or two to say regarding proposed Government expenditures, but I shall not elaborate at this time because there will be opportunity for further discussion when the budget is brought down. It seems that we may expect an expenditure of \$6½ billion for the year 1958-59, or a billion dollars more than was spent in the last year of Liberal Government. The old age pension security fund is now \$200 million in the red, and this year the total cost may well be \$555 million, or \$185 million more than last year. I wonder what the effect on our economy will be. Honourable senators, particularly those on the Government side, would do well to reflect on a statement made the other day by Mr. Harry Truman. He was speaking at a banquet, and naturally he was criticizing the Eisenhower administration. When he had finished, one man ran up to him, shook his hand, and said, "You sure gave them hell." Harry Truman replied, "No, I did not give them hell; I spoke the truth, but it sounded like hell." So, when we have to criticize, let us remember that sometimes the truth hurts and can "sound like hell".

Loss of trade might well affect Canada and other great countries. I notice in a newspaper I just received from home that the Soviets plan a huge economic bloc. Their first step is to unite communist countries into a single trading area so as to offer formidable trade competition to the West. In doing so they will be carrying out former plans laid down by Stalin. Russia is now starting to under-price Western countries on such articles as aluminum and lumber. As a matter of fact, lumbermen in British Columbia tell me that their market for the sale of