

Proposed Committee on Unemployment

to meet the situation? Nothing but the silence we have had since Sydney. The president continues:

Preliminary reports show that, during the first ten months of 1953, the foreign trade of Canada, up by \$265 million in comparison with the corresponding period of 1952, was valued at \$7,157 million. This considerable figure ranks our country third among the great trading nations of the world. But this progress results solely from the increase in our imports, which have risen by \$379 million, whereas our exports decreased by \$114 million. Thus, from one year to another, a favourable trade balance of \$243 million has given way to an unfavourable balance of \$246 million.

I quote this because it is a summary of the situation as the president of the Banque Canadienne Nationale sees it, and I adopt its content. Palliatives will not meet the situation. International trade alone can restore a large proportion of employment in this country. The bank president goes on to say:

Statistics reveal a decrease in our sales in all countries, except the United States, Japan, Holland and Switzerland, a decline reaching \$97 million in the British commonwealth, \$74 million of which is in the United Kingdom alone, \$82 million in continental Europe and \$65 million in Latin America.

Mr. Speaker, do you not remember the pilgrimage made last year, when the Minister of Trade and Commerce (Mr. Howe) went down to South America? I sometimes wonder whether he was able to teach those dictators something. The success of the pilgrimage was measured by a reduction last year to the extent of \$65 million in our trade in Latin American countries.

To quote further from the remarks of the bank president:

If our shipments of animals and derived products, of non-metallic minerals and of chemicals show some progress, there has been a curtailment in all the other groups: agricultural products, fibres and textiles, wood and paper, iron and its products and non-ferrous metals. The causes for this contraction in exports are many and varied.

There is a summary of our trade situation, summed up in a succinct, capsule-like form. Yet was there anything in the speech of the Minister of Labour (Mr. Gregg) to indicate that the situation would be met by some aggressive trade policy? No; nothing but an explanation that some of the unemployment figures were fictional. And then, when I asked him a question about the degree of unemployment due to a loss of markets—the diminishing markets to which I have just referred—the answer of the minister, with all the force behind him of his department, his economists, and the like, was, in effect, "It would be impossible to hazard a guess".

What parliament has a right to know is this. What is going to be done? Certainly in the Colombo plan there is no solution of the problem of disposing of the billion bushels

of wheat piled up in this country, or the other agricultural products. The time has come for parliament to know what is going to be done to expand trade and win back some of the trade that in considerable measure was lost last year because Canada and Canadian production, through taxation, has been priced out of the market. Taxation must be reduced. Canada will spend \$5 billion this year, the largest amount in history. I realize that the election last year did not teach the government any lesson in the need for tax reduction.

Mr. Howe (Port Arthur): It did not teach the opposition much either.

Mr. Diefenbaker: My hon. friend says it did not teach the opposition. Let me say this. The level of taxation today is considerably responsible for the fact that we are losing our trade.

Mr. Howe (Port Arthur): Inconsequential; that is not exactly pertinent to your statement.

Mr. Diefenbaker: It is inconsequential, the minister says. Is that the sort of attitude we should have from a responsible minister, that high taxation is inconsequential. I am going to refer in a moment to the Regina *Leader-Post*.

Mr. Abbott: Make your own speech.

Mr. Howe (Port Arthur): The hon. member is reading a lot of editorials lately.

Mr. Diefenbaker: That is all right. I have heard the minister read editorials at times when they were laudatory.

Mr. Abbott: Not very often.

Mr. Diefenbaker: I have heard the Regina *Leader-Post* quoted as a newspaper of reputation and capacity, and it is in the spirit of their own definition, sir, that I read this editorial which says in part—and I am going to pick out some of the non-controversial portions, Mr. Speaker—

Ottawa spending spree continues.

Peace, even though a troubled one, prevails. For our continued prosperity we are dependent upon trade in a highly competitive world. Because of high wages and heavy taxation, ours is one of the highest cost economies in the world. This places our industries at a tremendous disadvantage, particularly our manufacturers, in trying to compete for sales on the world market. Our chief competitors, for instance, do not have a 10 per cent sales tax which enters into the cost of all Canadian-manufactured goods.

Sir, there is a move the government might make, the removal or reduction of the sales tax that in considerable measure acts as a detriment to the expansion of trade through competition. There is something the government could do, and without being bereft