

about it. It is a gigantic industry in the United States. As honourable senators know, motorcars produced in Canada are manufactured by subsidiaries of American companies. If I wanted to compete with one of these subsidiaries I would have to go to the United States and try to get a contract from a parent company for the manufacture of its cars at wholesale prices. Of course, the parent company would refer me to its domestic subsidiary. It is a cast iron rule. If I had the ingenious idea of bringing in nearly new cars, I would be immediately met with the restriction that used cars—becoming such by being driven around the block—are embargoed. But no such restrictions exist as far as western Europe is concerned, and European cars are being imported in increasing numbers. Honourable senators can see how the extension to all our secondary industries of what is happening in the automobile business will affect the whole of our secondary industrial structure.

At the present time it is a popular thing to criticize labour and suggest that it should "hold the line". But the weakness of that argument, honourable senators, is our wage position in Canada *vis-à-vis* the United States.

The Gordon Report says that secondary industries have existed in Canada up to the present moment only because they have paid their labour about 25 per cent less than corresponding labour is paid in the United States. You can make as many appeals as you like to our organized labour to hold their wage-rate level, but unless living costs in this country are reduced these wage rates will go up. As a matter of fact, our manufacturers might be lucky if they do not have to pay higher wages than are paid in the United States if our living costs become higher than they are there. It is all very well for our manufacturers to say, "We won't pay it," but there is another side to it. I am sorry that the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) is not in his seat, for I would like to compliment him on the far-seeing speech he made last year on this very point. Manufacturers can say to labour in this country that they will not pay as much as American labour for the same work in the same type of factory. But what will happen when the living costs in Canada remain higher? It is all right to say, "We won't pay," but my honourable friend from Winnipeg South pointed out to us, if I remember correctly, that since 1900 approximately the same number of people have emigrated to the United States from Canada as have immigrated to Canada. You cannot keep people in Canada if living conditions are not favourable *vis-à-vis* the United

States, for people will simply move south of the border as long as the American immigration laws do not prevent them from doing so. And there has been no difficulty in this regard in the past, particularly for skilled labour. In fact, we are being asked to embark on great armament expenditures in Montreal and Toronto in order to give employment to our electronic engineers so that they will not go to the United States. Emigration has always been a constant danger.

Honourable senators, I suggest the time is rapidly coming when the manufacturers in our secondary industries will have to do exactly what these manufacturers have been doing for some time in Europe—look for a larger trading area. I ask you in all reasonableness if a population of 50 million in Europe is too small a market for profitable manufacturing, what about our country, with a population of 17 million—or even if it increases to 25 or 35 million? We are in a hopeless position, and I think great thought should be given to this situation.

Speaking as a senator from Nova Scotia, I can say that, despite the great development in Canada of recent years, we feel very keenly that we have not shared adequately in this progress. Increased social security benefits, increased allowances to the provincial Governments, national defence expenditures, subventions and subsidies have all had a beneficial effect but they have done little to aid our economic development. We have sought to answer the charge that we have not done enough to help ourselves. The Atlantic Provinces Economic Council, a joint project of provincial Governments and businessmen, has been making heroic efforts to encourage industry, but it has been an uphill fight. If Canada is to be further self-contained and if these ill-conceived projects to defy nature in the St. Lawrence River are continued, not only will her position industrially become progressively worse, but shipping through our ports will dwindle and die. Many Nova Scotians are thoroughly disillusioned with political parties and are getting in an ugly frame of mind. They will aid in unmaking governments in the future just as dramatically as they have in the past. The truth is that no government, whether Conservative, Liberal or C.C.F., can do much more than has been done in the past unless proposals somewhat along the lines I have suggested are adopted. When they are adopted our Maritime position will become an asset rather than a liability.

I want to say only a word or two in regard to our financial position, for over all our future hangs the shadow of the condition of our national finances. I am not disposed to