

The Budget—Mr. Adamson

times as much went to labour in the form of direct wages. On top of this, the gross national product of the country was increased by every share to the extent of fifteen tons of ingot steel. It seems to me that that company is a pretty good servant of the country. It is going to take a lot of persuasion to convince me that any other form of enterprise can produce that much for \$31. We are living in an era in which the capitalist system is abused frequently, is considered to be inefficient; but no government, no department of government, no group of civil servants, no other form of enterprise, could have performed such a service for the country for so little.

I should like to give one more illustration and show how the output of this one basic company has increased in the ten-year period. In 1939 the ingot output of the company amounted to .708 net tons per share; in 1948 it was 1.894 net tons per share, an increase of 167.5 per cent. In 1939 wages and salaries per share amounted to \$13.47; ten years later, in 1948, they amounted to \$38.45, an increase of 192.9 per cent. Capital expenditures in 1939 amounted to \$2.12 per share; in 1948 they amounted to \$20.97 per share, an increase of 889 per cent. In 1939 total taxes per share amounted to \$3.74; in 1948 they amounted to \$10.74, an increase of 187.2 per cent. In 1939 the shareholders, the capitalists, received \$3.03 per share by way of dividends; in 1948 they received \$4 per share, an increase of only 32.7 per cent.

I mention these figures in order to show the efficiency of the system under which we live. We hear many diatribes against the capitalist system, but I defy anyone to point to any other system that can produce as much basic wealth, pay the same basic wages, and increase the national product of the country. I defy anyone to show me where anything else can be as efficient as a well-run capitalist company. So much for capitalism and its function as a servant to the country.

I come now to the question of our external trade, and I intend to quote from a report published yesterday by the Minister of Finance (Mr. Abbott) and the Minister of Trade and Commerce (Mr. Howe) under the provisions of the Emergency Exchange Conservation Act. Under schedule I there was a decrease of \$117 million in the prohibited list from slightly over \$200 million in 1947 to \$83 million in 1948. On the quota list the decrease from 1947 to 1948 was from \$220 million to \$94 million, a decrease of \$126 million.

Now to quote from the figures given under schedule III by the Minister of Trade and Commerce. The total imports for the United States in 1947 were \$572 million, and in 1948 they were \$515 million, a decrease of

\$57 million. There was therefore a total decrease for the scheduled countries of some \$300 million; in other words, our apparent trade to the scheduled countries was decreased by artificial means by some \$300 million. These figures are approximate, being to the nearest million. They are in the nature of projections, because we assumed that the purchases would have continued at the same rate as for 1947, but I do not think that is quite accurate. However, it is the only figure we can count on. As I say, for the scheduled countries, that is chiefly the United States, there has been a decrease in imports of some \$300 million.

For the non-scheduled countries there has been a decrease under schedule I from \$11 million to \$7 million for the prohibited list, and an increase under schedule II, the quota list, from \$84 million to \$113 million. There has been an increase of \$29 million in the allotted list from \$26 million to \$55 million. The total increase for non-scheduled countries amounts to some \$44 million. I mention these figures because they show that by government action a definite direction of trade has been attempted. But despite the action that has been taken, our trade is still in great unbalance as between the non-scheduled and scheduled countries.

I should like to refer to what has happened as a result of Marshall aid to European countries. The Canadian economy is unbalanced because of our great per capita production and our necessity to sell off the North American continent. It is essential therefore for us to find non-North American media of exchange. I should like to quote some E.C.A. export figures. Canadian exports to all areas amounted to £332 million; United States exports amounted to £1,365 million. Canadian exports to sterling areas amounted to £245 million; United States exports amounted to £488 million. Canadian exports to the United Kingdom amounted to £172 million; United States exports to £160 million. We see from these figures that Canada's exports under the Marshall plan to the whole sterling area were more than one-third of the total, and Canada's exports to the United Kingdom were more than one-half of the total of Marshall aid. On top of that we have seen how greatly the government has attempted to alter the normal pattern of Canadian trade by restrictions, embargoes, prohibitions and other methods. Yet our trade remains definitely unbalanced, and is presenting increasingly serious problems to the government, affecting the whole economy of the country.

Since the devaluation of the pound by 30 per cent the London *Economist* has estimated that it will mean to the United Kingdom