

The Address—Mr. Thompson

justified their coming into existence originally. I would also remind you that if the two old parties were satisfactorily meeting our needs today, there would be no need for the minority parties which are in this house now. The fact that in the last election more than one quarter of the Canadian electorate expressed their dissatisfaction with the old line political approach is ample evidence of this. Politically Canada, since confederation, has been governed alternatively by one or other of the two old line parties. They must, therefore, accept full responsibility for the problems that we do face today and which, I am convinced, are still with us, otherwise we could get rid of this word "austerity" and have prosperity. These social, economic and financial problems could and should have been prevented by effective action on the part of the parties responsible for the government of the country.

In the grim days of the great depression of the late twenties, the Canadian people elected a Conservative government after the Liberals had proven themselves unable to cope with the issues of the day. The Conservatives, and I remember this very well as a youngster, maintained that they had the answers to the problem of poverty in the midst of plenty. Within five years that Conservative government failed miserably and, as a result, in 1935 they were swept out of office and a Liberal government was given the opportunity to prove that it could succeed where the Conservatives had failed.

I was a young school teacher at this time and vitally interested in what was taking place, not only because my own welfare was involved but because many of my buddies, who had not had the opportunity of getting the little education I had, stood in the soup kitchens and in the bread lines or rode the freight cars across the country seeking an opportunity to work and earn an honest living. It soon became evident to us, however, that while the party in power had changed, everything else continued as before. The administration of the late prime minister Mackenzie King was no better than the administration of the late prime minister R. B. Bennett when it came to facing the need for providing the necessary reforms which would correct the obvious defects and strengthen the economy which gave us the bitter depression that we were experiencing in the midst of potential abundance.

Then came world war II. Domestic issues were forced aside. I never cease to marvel at the fact that we could meet our needs and provide the positive administration necessary in times of war which we could not do to meet our needs in times of peace. Nothing

was too good for us young men who were needed to fight the battle against the forces of dictatorship which threatened to engulf the world. It was a different story from the one we knew when we had cried for the opportunity to fight against the enemies of unemployment, hunger and privation.

Following the war the Canadian economy experienced a period of great buoyancy and advancement due to, on the one hand, a large amount of accumulated wartime savings which had not been matched with available consumer goods and, on the other hand, to the large scale industrial capital expansion which had been of necessity, neglected during the war years. By the middle of the fifties the lag in industrial output had been caught up with and had become greater than the consumer buying power. Thus, the post-war boom began to wear out. Once again the cycle of industrial retrenchment and tight money came into effect and with them the old problems of the thirties. Inventories built up and the wheels of industry slowed down, in spite of excessive credit buying by the Canadian public which became the order of the day. It became apparent to the Canadian people that the Liberals had no effective program to prevent another cycle of recession.

Meanwhile, the Conservatives, now from the benches of the opposition, many of the same gentlemen who are here today, loudly proclaimed their criticisms of the government in their failure to deal effectively with the nation's economic ills. They acclaimed from the house tops that they had the answers and, if given the opportunity to form a government, could without any shadow of a doubt solve these problems. Thus, in 1957 the people of Canada decided to give them another chance, first as a minority government; then in 1958 they were given the greatest majority any party ever had in Canada's history.

What has happened in the five intervening years since 1958 constitutes one of the most dismal failures of a public administration in Canadian history in connection with its obligations and responsibilities for solving the major economic and social problems that Canada faced in 1957. Is it not strange that while on the benches of the opposition the Conservatives had all the answers to the problem of unemployment? It will be recalled that before their election they claimed to have all the answers to the deficits of international trade. In matters of external dealings alone in these five years our deficits have gone up approximately \$7 billion, while the total increase in debt of government at all levels, including consumer debt and mortgage debt, has increased by nearly \$19 billion. The total supply of all the