

The Address—Mr. Rowe

When I read the speech from the throne I looked in vain for signs of the old slogan of national unity. It has been used for over a quarter of a century in this country during every election campaign. I cannot help wondering where that dusty old slogan has been pigeonholed for the last few years. We do not hear so much about it now.

As we face the future we must pay close attention to the relationship between trade and employment. In the first eight months of this year our export trade alone fell by \$235 million, and our unfavourable trade balance stands at over \$200 million, while in 1952 the favourable trade balance was \$325 million. This difference of over half a billion dollars is of challenging concern, for during the same period 300,000 heads of families lost their jobs in Canada. This situation is not due to any regional condition or seasonal weather. It has developed like Topsy—"it just grew".

All this time the government sit thinking of the good luck they have had for so long and believing they do not need to do anything about it. With our great resources we have enjoyed a period of prosperity in war and in defence boom years, but as we return to more normal trading conditions, Canada needs, if ever she did, a sound fiscal policy.

This government did not require any basic fiscal or trading policies during the years to which I have referred, and it is perhaps fortunate that they did not need such policies because they did not have any. Those who sit on that side of the house, Mr. Speaker, have been fair weather politicians since confederation, and if they ever had any kind of fiscal policy it lasted only for a very short time for they have changed it almost every ten years since confederation.

With the ever-increasing competition we face in world markets, a sound fiscal policy is required more than ever. Last year we imported more goods made by labouring men in foreign countries than Canada produced altogether in 1939. If even these glaring facts do not shock the complacency of a government such as we have today, then there is little wonder that the unemployed worry and look to the future with fear and uncertainty.

I would like to congratulate the Minister of Finance (Mr. Harris) as he assumes his new task. He faces tremendous responsibilities. I hope that as these economic problems await solution, and more appear, the minister will be able to give us more distinctive leadership in financial policy than he gave us during his tenure in the department of immigration.

[Mr. Rowe.]

We cannot afford to continue a policy of levying taxes such as are unknown to our foreign competitors. If we are going to keep our factories operating and our people employed it is important that we do not—

An hon. Member: We are now taxed out of employment.

Mr. Rowe: Exactly. I am glad the minister feels, as he recently stated, that taxes are too high. We have been trying to tell the government that for the past five years and I am glad that they are at last beginning to show interest. When people find themselves up against it and things are getting tough they sometimes look around to others for help. I am glad the minister is thinking along these lines. However, I am not sure what he is going to do about it because I observe that he plans to spend \$184 million more this year while revenues have fallen by almost \$100 million. We are alarmed by the fact that the government have stunted expenditure on defence by an estimated \$150 million this year. The minister looks surprised. Perhaps he did not know. Perhaps it is not that much, or perhaps it is more. However, I am trying to be as conservative as I can in these figures. I think it is substantially more than that, but I do not want to exaggerate and I will give them the benefit of the doubt because there is a lot of doubt regarding this government all across the country.

I believe that you can levy taxes until you kill the source of taxation. No one should know that better than the present government, because they had that experience in regard to the tobacco tax two or three years ago. We have had a haphazard policy on fiscal matters and on taxation. I say haphazard advisedly because even today we see 2,500,000 pounds of cheese coming into this country while the farmers of Ontario have 9,000,000 pounds, and they are subsidizing themselves to try to get rid of it. Our taxation and fiscal policies are obviously haphazard when the government imposes a 15 per cent excise tax on tires for trucks to carry these products which are selling at 20 to 40 per cent less than two years ago, while golf balls and jewel cases go tax-free. Perhaps if that policy is continued no one will be able to buy jewel cases except cabinet ministers. These things may not mean much to them but they mean a lot to the farmer who wonders how he is going to meet his obligations, and the worker who wonders why he is losing his job.

The Canadian worker sees electrical, steel and textile products coming in from countries such as Japan while the plants in which his father and grandfather worked are closing