

Government Monetary Policy

We should consider the effect of the European free trade bloc and its impact upon the economy of the Americas. We should also consider the recovery which has been made generally by those countries which suffered during the war. Let us take a look at our trade. I have already dealt with one item, but let us consider the position with regard to agriculture. I was most happy to learn this month that there have been 60 million tons of grain sold to red China—that this government has been conducting an explosive campaign to expand Canada's trade with countries abroad. It is my belief that as a result of an expansion of trade we will arrive at a healthy economy and, consequently, at full employment.

Now I want to say a few words with regard to management and labour. It seems to me as I stand in my place and think about my own area—and all hon. members have their own areas in mind—that there must be a responsibility placed on both management and labour to appreciate that in order to enlarge and encourage our trade we must be in a position to compete with countries such as Japan and Germany, to name only two examples. Over the years, these countries have eaten into our trade. Let us take for example, the manufacture of nails. At one time we used to export about 40 per cent of our production. Today we import 20 per cent of our production. We have to appreciate, of course—and I know these facts because I have appeared before the tariff board in relation to this particular item—that the wage rate in Japan is 17 cents an hour as compared with about \$2.63 in Canada. Now we know that if automation grows rapidly in Canada or the United States we might be able to produce these goods at a competitive price despite the difference in labour costs. But I have been to Japan, and I have seen the growth of automation in Japan. It is increasing there just as it is in the United States. Yet they are working with 17 cent an hour and we are working with \$2.63 labour. These are the facts with which we must come to grips. These are the practical things. Can we compete with these nations overseas when our wages and prices are so high? It would seem to me that our tendency to price ourselves out of not only our own market but the markets of the whole world is the real basis of unemployment. It seems to me that if Canadians could learn to compete in trade and sell their products not only in our own market but in markets overseas we would be able to attain full employment. This, to me, appears to be the crux of the whole problem. This is why I say there must be a responsibility placed on both management and labour to work together, as two

groups, with the government so that we may still be able to compete in world markets.

It is possible to point out that our trade, in many fields, has expanded. But is that expansion as great as it could have been? Take the item to which I have already referred—the manufacture of nails. There is a tremendous market for that product all over the world, not only in the Americas but also in those countries which were laid to waste during the war. The hon. member who spoke from the corner of the house a while ago recommended a controlled economy, or a socialist economy, as the cure for our economic problems. It seems to me that in reply I should put on record once again the position which his supporters actually take in this regard. The hon. member and his friends talk about a controlled economy. As I have said on other occasions, I come from the province of Saskatchewan, and in 1944 when they took over there were approximately 11,000 people employed in the manufacturing industries of Saskatchewan. After the hon. member's friends had been in office for 17 years, or some such number of years, this figure had risen only to 12,000. This might appeal to the Liberals: the leader of the opposition speaking in the provincial legislature recently pointed out that the premier of that province had boasted about bringing in some 60 new industries, whereas, on analysis, it could be shown that they had not arrived on the doorstep at all. This, of course, is the only evidence we have of any socialist experiment in Canada. They talk about unemployment being least in Saskatchewan. I do not know whether that is correct or not, but I do know that more people have left that province in the last 10 years than any province in Canada, and they are still pouring over the border to Alberta and elsewhere. No wonder there is no unemployment there; they just do not want to stay there under a controlled socialist economy. Now, if one looks back, this is the resolution the C.C.F. party passed in 1933—I wonder if they mean it, and if this is the kind of controlled economy they are talking about. This is what they said then:

We aim to replace the present capitalist system—

I am reading from an article by J. M. Beck and D. J. Dooley which appeared in the *Dalhousie Review*—an article entitled "Labour parties, new and old". Incidentally, this article might be of interest to the hon. member for Peterborough (Mr. Pitman); it spells out so well the funeral of himself and his colleagues in the future.

We aim to replace the present capitalist system, with its inherent injustice and inhumanity, by a social order from which the domination of one class by another will be eliminated, in which