

*Canadian Trade Policy*

member for York Centre said, it is obvious that we should approach the question on a sectoral basis.

If I have one criticism to make of the hon. member for Eglinton and his party, it is not so much that of secrecy, though the general level of secrecy in government in the western world is now subject to criticism. Admittedly I came to this parliament two years ago idealistically, but I have been quite shocked at the amount of secrecy not only in government but throughout the whole bureaucracy.

Let me digress for a moment, Mr. Speaker, and tell the members of the House of an experience I had before ever entering politics. The Hawker-Siddeley Corporation of England owned a steel plant in Sydney which they left high and dry after milking it for as much as they could. It should have been nationalized long ago, but the federal government ran away from that and forced the provincial government of Nova Scotia to take it over. As a result we are still bothered by immense problems down there. Then the government set up the Cape Breton Development Corporation in 1967 in order to help correct Cape Breton's historic economic ills. But the government did not include the most important industry there, the steel industry. This was left to the small provincial government that did not have the expertise required to own it. The government said; "Look, we will throw DREE grants your way every now and then, but we will not actually put it under a Crown corporation".

I wanted to find out what type of subsidies were given the Hawker-Siddeley Corporation in their last five years of existence in the Cape Breton area as opposed to the help given under public ownership, and I wrote to the dominion bureau of Statistics, now Statistics Canada, which more and more is suffering ill-fame, and, so far as I can see, with good reason.

**Mr. Gilbert:** And notoriety.

**Mr. Hogan:** Yes, notoriety. I was told to whom to write. I wrote and told them I wanted information about this company, which at that time had departed two years ago. Do you know what they told me, Mr. Speaker? They said that according to the Official Secrets Act they could not disclose anything, even though this company was no longer there, unless I got permission from the head of that corporation. That is just nonsense, but it gives hon. members an idea of just how deep this whole secrecy business goes.

My major point of criticism of the government is that it does not seem to be giving, at least openly, any positive leadership so far as freer trade is concerned. Granted that we are all against free trade in the textbook sense because of the historical pattern of protection, but as I said before, and as hon. members opposite know, history finally catches up to you. They know that if one has an infant one is protecting, and allows that infant to grow up without letting it become really efficient, then one has to keep feeding and protecting that infant or person not at the nominal rate but at the effective rate. The hon. member for Eglinton seemed to skirt that issue.

● (2130)

In the manufacturing area in the western world we have one of the most highly protected economies. I would defy members on the other side to produce statistics to show that this is not true. The manufacturing sector of the Canadian economy is one of the most highly protected in all of the western world, so we do not have this type of freer trade or a tendency toward freer trade about which the minister talked. I admit that when we have a dependence of 20 per cent or 25 per cent of our Gross National Product in this area then we have to go along with the other countries. But as I see the scenario now I think there is time for Canada to try to give some leadership at GATT, whether they publicize it or not, because what we are seeing now is a very strong resemblance in many ways to the thirties, on the international scene.

The economists of the major countries are advocating that the major economies, the United States, Japan, and Germany start stimulating their economies so that the rest of the world's economies will pick up. I hope the Minister of Finance (Mr. Macdonald), who has followed John Turner, who in turn followed the Secretary of the Treasury in the United States, will take cognizance of the fact that our economy and the economies of the free world in general need some stimulation, and that we must take some kind of a chance on the inflation end.

We might look at what is happening in Italy and France. Each of these countries is following inflationary policies, with little or no growth, to try to get their exchange rates in balance. We can see the scenario now. Britain, Germany, and Japan will try to get into these markets and will not be able to get into them with freer trade. They will be forced to go to the United States. There is to be a new President there who wants to go into freer trade and who wants to stimulate the economy and so on. But the industries in the United States and the lobbyists and the pressure groups, despite the President's good intentions and philosophies, will push him into a more protectionist position. Therefore it is time that Canada and the countries of the free world really assert themselves because we are at a very important turning point in the international economy.

While one cannot draw too close an analogy between the depression of the thirties and the present, certainly despite the changing evolution and the application of fiscal and monetary policies, the free world now stands in a very precarious position if we are to turn more and more protectionist. It is not enough to say that we are over there at GATT and are trying to get the best deal. We should be establishing a position in which we firmly come out for more liberalized trade and a stimulation of the economy so that we can avoid the protectionism which destroyed the economies in the 1930's, and which some of the countries of the world, in an effort to protect themselves and stabilize their economies, are rushing into willy-nilly now. This might seem to be a pessimistic scenario but it is a very probable scenario. Given the present policies that are being followed by Britain, Italy, and France, and with the assumption that two of the most important countries, including the