

Hon. Mr. CAMPBELL: That has worked considerably well for Canadian manufacturers.

Mr. SHEILS: I really do not know what the answer is there, but perhaps some of the officers know the story of that better than I do.

Mr. LEACH: I think that has also worked well for the manufacturers in the United States. In our town we have had some manufacturers who have brought their work up from the States to be done there, and we have gained possibly a little in that respect. Other than that, I do not know of anything.

Hon. Mr. TURGEON: I should like to ask one question in relation to Senator Crerar's inquiry about absolute free trade. Would the answer be more easily reached if the population of Canada was doubled?

Mr. SHEILS: I should think that would be a factor towards it. We are advocating increased immigration into Canada at all times for the purpose of building up the home market, and thus giving us a chance to improve our production costs by reason of having a higher home market. I may say that we do not like the fact that such a large percentage of our total export business goes to the United States because of the fickleness, if I may use the word, of their market.

Hon. Mr. CRERAR: Mr. Sheils, notwithstanding all their inconsistencies do you not think the United States is still moving into a position where it must become an importing country?

Mr. SHEILS: Undoubtedly, sir, in the field of raw materials, but they will not be willing to bring in fully-processed goods.

Hon. Mr. CRERAR: Take, for instance, agricultural implements. Thirty years ago when I was barnstorming around the country advocating the abolition of tariffs on agricultural implements, I was regarded as a very dangerous character. Many people thought I should be interned. However, in the course of a few years, practically all the duties were removed from agricultural implements. I think there may be one or two exceptions today. What was the result? I think our agricultural implement industry in Canada today is more firmly based than it has ever been. As a matter of fact, the manufacturers of agricultural implements have demonstrated that they could invade under those conditions the American market. I do not think that Jimmy Duncan would say for a moment that the Massey-Harris Company does not find the American market a valuable one. It is a very valuable market, and my point is that under these conditions I have faith enough in Canadian brains, initiative and ability that they could develop industries in this country which could compete with United States and, indeed, they would have some advantages in doing so.

Mr. SHEILS: I heard, sir, the same Jimmy Duncan advocating very strongly a month or so ago the increase of sales to Latin American markets because he thinks they are better than the United States market.

Hon. Mr. CRERAR: I believe there is in Canada, and with some reason, a pretty widespread feeling that the American market is not a dependable one; that it is subject to the vagaries of Congress. That is true, but I think events are working inevitably against that in the United States, and I think it is a hopeful sign when you get people like the United States Chambers of Commerce, bankers associations, and investment dealers associations coming forward in favour of a liberalization of trade policies.

Mr. SHEILS: Yes, that is a hopeful sign.

Hon. Mr. CRERAR: I do not think there is any question about it, and it is important that we in Canada be perhaps a bit patient with some of these things because I am sure that time is working with us.