

*Speech from the Throne*

correcting the imbalance in trade, and this is going to cost Canadians very dearly in terms of employment.

If I may get away from this negative, do-nothing situation in which the government finds itself, let me look in a more constructive way at what can be done to create more production and thus more jobs. It is clear to everyone in this House—certainly it is clear to industry—that in order to employ more people we must first produce more. In order to produce more we must have orders for our production. In other words, we must first sell more goods.

How are we going to do this? There are two ways. The first is greatly to increase our sales of products in the export market, a market that absorbs one-third of Canada's production. The second way we can increase sales of Canadian products, both in the export and the domestic market, is to reduce costs, and thereby selling price, thus making our products more competitive both here and in the export market. We must also sell products in greater volume.

May I first deal with making greater selling efforts in export markets. To achieve this we must do three things. First of all, we must start now to send a minimum of 25 trade missions a year, composed of businessmen engaged in the production of specific products, to those areas of the world where our trade commissioners advise us that Canadian products can be sold but are not being sold or, if they are already being sold, can be sold in greater volume. I say missions of businessmen because this is the only kind of trade mission that is effective. These businessmen will make contact with those who either sell their products in their stores or use their products in manufacturing processes carried on in the country in question. These businessmen meet with those who sell or use their products, and they should convince them—this is the only way they will get orders—they can make a bigger profit by using Canadian products than by using the products they are presently using.

The Minister of Industry, Trade and Commerce (Mr. Pepin) has been travelling around the world claiming that he is doing a great job of increasing sales to foreign markets. For example, he visits a country and meets the minister of trade, assures him that Canada wants to do more trade with his country, and the minister in turn assures our minister that his country wants to do more business with ours. They both are very happy with the whole thing. The Minister of Industry, Trade and Commerce then goes to a large number of dinners and luncheons at which he meets the leading businessmen of the area and tells them that we want to do more business with their country. Then, their speakers one after the other assure the minister that their country wants to do more business with ours, and similarly everyone feels very happy at the whole thing. Then, they all go home and continue doing business exactly as they always have. This is because the vast majority of countries are not state trading nations. Business is placed by individual producers who sell to individual consumers because they can persuade them they can make more money by using their products than by using other products.

Although everyone in business is fully away of this situation, these fuzzy headed theorists have yet to learn it. They think that a ministerial visit of the kind our Minister of Industry, Trade and Commerce has been making is

[Mr. Hees.]

very successful and useful, whereas in actual fact it is absolutely worthless. The figures prove that.

• (1440)

In 1971, the first month of this year, Canadian trade with every country except the United States took a very severe drop. The only reason it went up with the United States is they used more and more of our raw materials to feed their factories to turn out products and provide employment for their people. We get very little employment from all this because it takes relatively little labour to take our raw materials out of the ground and ship them across the country in their raw state. The United States market is the one market on which we want desperately to become less dependent, and yet it is the only market in which we have increased our sales. In every market in the world there has been a very severe drop. Why? Because this government is not going after trade promotion in anything like an efficient and effective manner. So, I urge the minister for heaven's sake to adopt a practical approach and adopt it soon.

The second way we can increase sales in the export market is for this government to arrange a meeting between officials of the Department of Trade and Commerce and the businessmen of Canada in our industrial centers all across the country where the officials of the Department of Trade and Commerce could meet with the businessmen concerned and show them how the department can assist them to get into the export market and make sales. This is particularly important to small businessmen who have no idea how they can possibly sell a good proportion of their products in the export market.

The third way we can increase sales in the export market is to bring buyers to Canada, the important buyers of the world who number between 600 and 700 in the big markets of the world. They could be flown to Canada, accommodated, wined and dined and entertained and shown Canada's products at giant trade shows in Toronto, Montreal, Vancouver and Winnipeg. They could be shown all the heavy material we are so good at producing. They could be shown the factories across Canada where these machines are produced. This is the way to show the people around the world what we have and to take orders.

In addition to increasing sales in export markets, as I said we can increase sales both here in Canada and in the export market as well by lowering costs and selling prices and by making our product more competitive. How can we do this? We can do it by doing three things. First of all we must increase productivity. In this connection we should take note of what the Economic Council of Canada said a few months ago in its latest report when it said that if we, in Canada, are to be able to improve conditions in the work force every year Canadian industry must greatly increase its productivity.

This can be done by offering tax incentives for increased productivity in plants where it can be demonstrated that there is increased productivity and this can be demonstrated in any plant which wants to go after it. Such tax incentives would give industrial leaders some incentive to make a much higher expenditure in plant, machinery and the new production systems necessary to keep costs and selling prices down. These tax incentives