

factor in financing the excess of imports over exports. Its main benefit is the extension of industry throughout Canada. With that investment comes also a great measure of benefit from the industrial research which is part of modern industry. That is a phase of this problem which is not very often talked of, but it is a very real factor. In 1955 Canadian industry spent on research, exclusive of Government research, \$65 million. That amount is minor compared with what was spent in the United States. I could not get the exact comparative figures, but the amount that industry has been spending on industrial "research and development" in the United States, apart from ordinary capital investment, runs between \$3 and \$4 billion a year.

Let us think for a moment not only of motor cars, household appliances, radios, and such like, but of hundreds of other things which are ordinary necessities of life to us and which are made in Canada by reason of our mutual industrial interest with the United States, the transfer of American patents to Canada and also American capital.

I cannot see the need for the extreme alarm that is expressed over the flow of money into industry from across the border. European capital built up American industry and made America a debtor country for over two centuries of its development. As a matter of fact, outside capital was a predominant feature of American development during the period when the population of the United States was treble that of Canada, and even greater. I think that a wider spread of Canadian shareholders in American financed enterprises here would be a good thing. But on the other hand the need for new money for development in such a country as this is absolutely tremendous. We can never progress by a shoestring effort, so why should we try?

This outside capital when it comes into Canada buries itself in the industry of Canada; it is subject to Canadian laws; corporate earnings are taxed and public revenue is derived from the transfer of profits.

I know that the present is a difficult time to reconcile feelings. We have differences with our neighbour over their wheat disposal policy. We have a right to drive hard for a better understanding on tariffs and tariff applications. I want to say this, that the time to drive hard for improvements such as I suggest and which are necessary to our economy is right at this time when our neighbour has such a valuable trading advantage.

It is up to us to be on our feet and do the very best we can to follow along a policy

such as I have indicated, or any more far-reaching policy that can reasonably be developed. We should lose no time in making ourselves better known and our problems better understood by the American people, right down the line.

I hope a lead-off in this, as I have suggested, under the guidance of the Department of Trade and Commerce, will be found to have merit. I feel, as I intimated just now, that one of the great advantages of such an organized movement would be that it would afford an opportunity for industry, labour and professional organizations within our dominion to actively co-operate.

While that is going on we should, of course, cultivate our Commonwealth and general international relations, as I have suggested. What we need for the development of Canada is a properly balanced economic program, with a wide view of our outside relations, and not a throw-over of American relations for those of the Commonwealth any more than a throw-over of Commonwealth interests for those of America.

On motion of Hon. Mr. Wall, the debate was adjourned.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill N, for the relief of Joseph Alfred Victor Tasse.

Bill O, for the relief of Claudine Yvette Felicite Cavallero Neeley.

Bill P, for the relief of Evelyn Thelma Passineau Uyeda.

Bill Q, for the relief of Ronald Victor Turner.

Bill R, for the relief of Charles Frederick Church.

Bill S, for the relief of Sarah Sally Abramovici Schor.

Bill T, for the relief of Eunice Kennedy Standeven.

Bill U, for the relief of Kathleen Louise Blaylock Hall Dunning.

Bill V, for the relief of Mary Hilbert Madge.

Bill W, for the relief of Marthe Helene Le Bel Champion.

The motion was agreed to, and the bills were read the second time.

The Hon. the Speaker: Honourable senators when shall these bills be read the third time?

Hon. Mr. Gershaw: Monday next.