

*The Address—Mr. Rowe*

This serious situation can be improved, but when it was developing the former government had no positive trade policy. We drifted aimlessly, depending upon world capacity to buy us out of our future economic dangers. Instead of encouraging our secondary industries to produce more of our own requirements, we produced less. Between 1947 and 1957, our imports increased from 67 per cent, in relation to manufactured goods, to 78 per cent of our requirements. No other country in the world was buying so many of its manufactured requirements from outside the country. During the ten year period, we have seen one of the greatest industrial revolutions of all times. While the United Kingdom, Japan, West Germany and other countries, increased their industrial expansion at a much greater rate than we did—in fact, Japan increased it during those years almost three times as fast as Canada—our promising manufacturing industries and home markets were forgotten. While other important countries were encouraging industrial development by tax reliefs, accelerated depreciation, special allowances for research, bonuses, special freight rates, credit and guaranteed payments for exports, our secondary industries were left to grow up like Topsy. There was practically nothing done. As a result we bought in 1957 ten times more foreign manufactured goods per capita than any other country in the world. These are the facts that are disturbing, especially in a young country in view of the other problems that are associated with them.

In your native province of Ontario, Mr. Speaker, you have seen industrial development spread to western Canada. Industry is playing a much more important part than it ever has in the history of this dominion. However, we have lagged far behind, and as an example I cite our great textile plants. During the last ten years of the former administration, in this cold country where we use so many textiles, 80 plants closed down and 22,000 people lost their jobs. In so far as heavy industries, chemicals and electrical appliances are concerned, 50 per cent more of our requirements were imported during that period. This was the result of other countries encouraging their secondary industries which were able to export their surpluses. They were alive and alert to a situation.

During those golden years we smugly boasted of the degree of progress we had achieved, but we were really only receiving the fringe benefits of the industrial revolution occurring in many other countries during that period. We have had varying degrees of chronic unemployment and a growing need for social welfare benefits as well as

the costly subsidization of agriculture. I know that it may be difficult for some of us to see any relationship between these dangerous trends. However, when you stop to think of the billions of dollars that these trends have cost us, I say to those who still cling to the idea that we must encourage the export of our raw products instead of secondary industries, that they should stop and take stock before it is too late. The continuation of such a trend has curtailed opportunities for our people as well as development of the home market for our increasing agricultural production. We must never forget that no country in the world's history has become great without a vigorous industrial growth. Without this we cannot maintain the necessary educational needs of our time, the employment of an increasing population and the obligations involved by the consequent need of social welfare.

Despite our keen national pride, Canada has not had the industrial advancement anticipated by our pioneer statesmen. When the late Right Hon. Sir Wilfrid Laurier and Sir John A. Macdonald forecast a country with twice our present population before this time, they did not expect us to follow the lopsided development we have pursued, depending so much on the forest, the sea and the mine. To depend on these primary industries for adequate employment is to stand against the developing process of innovation.

It is not good enough to try to apologize in a general way or to say that the difficulty of unemployment that has been chronic in varying degrees in Canada for the last number of years is due to automation. I ask those who cling to this doubtful excuse to review conditions in the heavily populated countries that have taken fuller advantage of the latest industrial revolution following the recent war. These countries have led the world in automation, and yet they have no unemployment. Many of them, in fact, are short of labour. Sweden, Japan and West Germany, countries that are leading in industrial expansion, countries that are leading in automation, are today short of labour. Automation does eliminate some old jobs but it certainly produces many new ones.

I am glad to observe that the present government has shown an industrial concept which was lacking in the former government. I want especially to compliment our capable Minister of Finance (Mr. Fleming) upon his efforts to assist a much needed industrial expansion. It is most unfortunate that his efforts to encourage miscellaneous manufacturing industries by broadening the application of the regulation to determine goods of a class or