

## Private Bills

State (Mr. Pelletier) on Tuesday, January 14, two days ago, at the Waldorf-Astoria Hotel in New York. On that occasion he addressed the members of the Compressed Gas Association. I happen to have been fortunate enough to glance through his speech, and the opening remarks of the minister have a serious bearing on this problem. This is the way that the present Secretary of State commenced his speech:

"Canada, I have long believed, is fighting a rearguard action against the inevitable. Living next to our nation, with a population ten times as large as theirs and a gross national product fourteen times as great, the Canadians recognize their need for United States capital; but at the same time they are determined to maintain their economic and political independence... The struggle is bound to be a difficult one—and I suspect, over the years, a losing one... Thus, while I can understand the motivating assumptions of the Canadian position, I cannot predict a long life expectancy for her present policies."

Thus wrote Mr. George W. Ball, in his book, "The Discipline of Power", published last year in New York. Mr. Ball, as you know, was Under-Secretary of State under the Kennedy and Johnson administrations. The personal opinion he expresses regarding Canada's future seems to me to reflect the opinion of the American public.

Canada, 51st State of the Union?... Basically, this is not such a fantastic idea.

Thus today, I am speaking to you in English, a language common to you all, Canadians or Americans.

Those were the opening words of the Secretary of State in regard to the United States' attitude to Canada's financial, economic and political independence. He must have had good reason to use them because later in his speech he sets forth how the Canadian government set up the Watkins Commission to study foreign ownership in view of the concern so many Canadians had about it. At page 24 of his speech appears this passage:

You know better than anyone how much the American economy has affected that of Canada. The report of the Watkins Commission, which was set up to study the problem of foreign ownership in Canada in relation to the structure of industry, begins with these words:

"The extent of foreign control on Canadian industry is unique among the industrialized nations of the world. Canadians are aware of the economic benefits which have resulted from foreign investment. They are also concerned about the implications of the present level of foreign control for Canada's long-run prospects for national independence and economic growth."

Some experts hold a much more radical opinion; they believe that Canada has deliberately sacrificed the advantages which economic independence would eventually bring for the more immediate advantages of a high standard of living.

• (5:30 p.m.)

Then, he sets out some statistics, as follows:

—in 1965, more than 60 per cent of the Canadian gross national product resulted from foreign investments in Canada and about 75 per cent of these investments were American. Therefore, 45 per cent of the Canadian gross national product came directly from the United States—this through the agency of 6,000 industrial and commercial companies belonging to American interests or controlled by them. This represents about 14 billion dollars. In Canada, the United States owns:

—more than 60 per cent of the petroleum and natural gas industry;

—approximately 60 per cent of the mines and refineries;

—35 per cent of the pulp and paper industries;

—45 per cent of the factories;

—13 per cent of the public services;

—more than 50 per cent of the chemical, electrical and farm-implement industries—

We could continue this listing of statistics indefinitely, but statistics are sometimes misleading and always tiresome. Best we should stop here.

After reading this interesting and revealing speech by the present Secretary of State which shows the extent of penetration by foreign ownerships in Canada, and when we couple with that the present attitude of the government which does not want to stop foreign ownership of our assets but rather encourages it, one can well become alarmed at the prevailing attitude on the government side of the house today.

When Canada was born in 1867 it had humble beginnings. We started as an agricultural country and through the years have developed not only our agriculture but our industrial life as well. Progress has been made by dedicated Canadians prepared to give their time and talent to the development of our Canadian economy. This development took place steadily over the years. But after the first war, or for the last 40 years, there has been a steady penetration of our economy by our friends to the south. Their capital and their expertise have penetrated our economic life, as well as their more recent technique of developing in this country a branch plant economy. When one reads the long list of concerns the company we are presently considering has under its control one realizes that the extent of penetration is almost beyond the control of Canadians. If we lose financial control of our country we may well lose our political independence. That is why our present Secretary of State showed such concern about the attitude expressed by George Ball, the former secretary of state under Presidents Kennedy and Johnson.