

*Government Organization*

be repaid with the 8 per cent differential, and this is causing a great deal of difficulty to the government.

I have heard no reference to the quality of United States investment in Canada that was made during those socialist years in the province of Saskatchewan. I have found no expression of opinion in this debate thus far on the substantial grant that the United Auto-workers made to the New Democratic party in the last election campaign. Apparently, there is a difference in the quality of the types of United States investment that are welcomed in Canada as far as our friends to the left are concerned.

It is not for me to review the past history of our friends to the left in this area of investment capital, but perhaps I could mention that one Texas entrepreneur who came to Saskatchewan to found a cement plant and a steel plant during the socialist government's heyday, the bonds of those companies being guaranteed by the honest taxpayers of Saskatchewan, became a millionaire overnight. Clarence Fines, in a notable quotation, stated: "We in the N.D.P./C.C.F. of Saskatchewan like to make millionaires of this kind".

I am greatly interested in the true philosophy of this party in the area of expanded job opportunities for Canadian workers. I speak for many people of all parties in western Canada when I express the hope that a reorganized department will usher in a new and unparalleled program for growth in this country, and that we will develop new markets for Canadian goods not only on this continent, including the United States, but also abroad. This will take a degree of integration. Nations of the world today that have a narrow, introverted outlook really have no future in the international trading community. Today, the world is much smaller than it was in terms of communication and we will require to have closer links with Europe and the Pacific rim nations as well as with the United States of America.

This is inevitable if we are to maintain any kind of standard of living in Canada. Surely, there is a growing realization on the part of members of all parties that a just society cannot be financed on the basis of continuing inflation, and it cannot be nurtured solely on vague feelings of brotherhood and humanitarianism. It is an obvious truism that the just society must be the product of greater efficiency and productivity here at home and better effort abroad in order to develop new markets for Canadian goods.

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I am not suggesting that our trade figures are not impressive. We have done very well during recent months. I am very enthusiastic about the appointment of this minister to his new, key post. I think the outlook is promising and I suggest that we continue to be expansive both in our outlook and in our trade philosophy.

In order to enjoy increasing trade, it is obvious that we must consider the purchase of more goods from abroad. It has become a cliché to say that trade is a two-way street. Those of us in western Canada, the 1,526,000 Albertans, the nearly two million British Columbians and the large populations in our sister provinces of Manitoba and Saskatchewan, realize that trade is a two-way street. Some of these imports will affect Canadian industry. Some of our own industries may suffer adversely for a period of time as a result of the impact of imports from abroad. Yet, it is to be hoped that in the face of competition from abroad we are not going to retreat into the narrow doctrine of protectionism which is rearing its head in all parts of the world today.

● (3:40 p.m.)

The President of the Chase Manhattan Bank of New York, David Rockefeller, addressed the bank's annual forum in Toronto. He said, as reported in the *Globe and Mail* for November 21 last:

—western countries have made a full turn-back toward restrictionism in trade matters. And the final outcome of this resurgence—if it is not beaten back—is likely to be a calamitous decline in world trade.

He said the history of the 1930s provides a grim and unmistakable warning of what can happen when protectionist forces gain the ascendancy.

He said protectionist forces are gaining ascendancy. Protectionism is not restricted to the United States. Even within the common market, tariffs are still charged on a wide range of goods. Then, he goes on to point out how modern protectionism is rearing its head in the form of subsidies, barter deals and other ways. He concluded by saying:

Despite the revival of protectionism in some quarters, the preponderant view in industrial nations favors continuing efforts to reduce both tariff and non-tariff barriers to trade in industrial products. One approach that has great merit, in my opinion, would be to develop a broad free trade area among nations that would agree to phase out industrial tariffs over a period of years.

While such a free trade area might start with a small nucleus such as the United States, Britain and Canada, I would hope that it would be completely open-minded... In all of this, we must not