

Canadian Trade Policy

three plants in Ontario, two of them being in my constituency, one in Mount Forest and one in Markdale, and since 150 people will be thrown out of work in each plant, is the minister prepared to intervene and do what he can to save the jobs of those 300 workers whose earnings affect directly the economies of their areas?

Mr. Chrétien: Mr. Speaker, I should like to look into the matter. I have not been informed of it and do not know what can be done. Factories in Canada close down for all sorts of reasons. Perhaps we have been too liberal in the last several years in the matter of exports and imports. I intend to take action.

Mr. Beatty: Will the minister look into the case I have brought to his attention?

Mr. Chrétien: I will look into that case. I hope to do my utmost in situations of the kind just brought to my attention. But the hon. member must realize that when the matter involves imports, one cannot turn a switch and expect results right away. Sometimes goods entering Canada have been ordered for several months. The market may be flooded and buyers do not want to buy. There is always some lead time between when you decide to stop the flood and when you see results. I shall certainly look into the matter and hope that not too many similar cases will arise.

Since the hon. member raised the matter, may I give an illustration of the sort of difficulty one encounters in different fields. For example, let us consider double-knits. Double-knits are no longer in fashion. What can one do if one has a stock of double-knits? The use of double-knits in Canada has been reduced fantastically. The market for double-knits has shrunk to about 20 per cent of the market of three years ago.

Therefore, even if one stopped all imports, one could not generate the market for double-knits, as I said. Double-knit fabric is made in my area and I bought two suits. I found them comfortable, but Canadians are no longer buying the material. I have imposed quotas. Now people making the suits tell me that because we have stopped the import of double-knits from the United States, the price has risen. It is too high, and retailers cannot sell stocks on hand. Therefore, one cannot look for simple and cosy solutions because the market does not work that way. I wanted to give this illustration to show some of the difficulties with which we must deal.

As for the shoe industry, the matter the hon. member raised, I shall look into the question. I must tell the hon. member that I have encountered similar problems in my own area, there being textile and shoe industries in the district I represent.

Mr. Jack Murta (Lisgar): Mr. Speaker, I assume the minister flew in from Montreal to participate in this debate. I hope he stays for the rest of it. The minister spoke of what he had accomplished in the past few months; actually, he bragged about his accomplishments. Unfortunately, what he said makes little sense if one views his remarks in the context of present-day business conditions in this country. The minister spoke in glowing terms of the government's accomplishments.

[Mr. Beatty.]

I can say with 100 per cent accuracy that his speech will not enhance the government's standing and will not convince this country's businessmen that the government will support them in the search for new markets. To use a colloquialism, the government has not put its money where its mouth is. I also think that the Minister of Finance (Mr. Macdonald) ought to be present to participate in the debate this afternoon.

● (1650)

What we are saying is that our motion has far more direct implication on the Department of Finance than on the Department of Industry, Trade and Commerce. I hope that either the minister or his parliamentary secretary will give us the government perspective in the debate this afternoon.

I, too, was in Geneva for a few days talking directly with our people involved in the negotiations on the General Agreement on Tariffs and Trade. Regardless of the members of parliament who journeyed to Geneva to discuss international trade, the point is that industry officials, those who run the plants and employ people in this country, have not been adequately informed. That is the problem—but it was not mentioned by the Minister of Industry, Trade and Commerce (Mr. Chrétien).

Today's debate will be one of the more important during this session of parliament. To begin my portion of the debate, I wish to outline how I view the Canadian economy at the present time. I will then move to the General Agreement on Tariffs and Trade as it pertained to the Kennedy Round in the sixties and what has gone on in the seventies vis-à-vis the so-called Tokyo Round now being held at Geneva.

By any standard, Canada's economy at the present time is in poor condition. Our deteriorating balance of trade at this time is an important and disturbing aspect of Canada's economic performance. Over the years, international trade has become increasingly important to the standard of living in most countries. It is certainly true for Canada which each year imports no less than \$1,520 per person. Those exports are mostly in manufactured goods. That shows the magnitude of our imports and the importance of them to Canada. It is not widely known that Canada is the largest per capita importer of manufactured goods among the major trading nations of the world.

The Conference Board of Canada recently issued a report by Professor Charles Barrett entitled "Canada's International Trade, Trends and Prospects". Although the report does not suggest policies to remedy the situation, the implication is clear. I wish to quote briefly from that report. I do so because the Conference Board of Canada is one of the most prestigious bodies in this country when it comes to the economy. I quote:

The weakening trend in our balance of trade has been evident since about 1970, and although things looked good temporarily in 1973-74 because of the cyclical high prices of our resources, the underlying weakness was still there and resulted in an overall deficit of \$5.4 billion in 1975.

I may add that by carrying that kind of deficit in 1975 there is every indication the deficit will be carried into the eighties and will increase as time goes on. I again quote: