

*The Address—Mr. A. Stewart*

Americans have invested so extensively in what we might call risk investments. I do not think the risk is as great as it is made out to be because after all the markets were there. Since it is risk capital the profits will necessarily be greater and so when the many enterprises of the Canadian north have been opened up and get going they will be making very high profits. The rate of profit will be very high indeed and much of it will be paid to American investors.

But concentration of capital will mean the freezing out of Canadians, because I think we have to remember that trade is no longer being decided solely by the wishes or the desires of the government. American owned subsidiaries in this country of ours can decide the pattern, no matter what the government of the day has to say about it. Let me quote Mr. Huson again:

It is therefore disturbing that whole industries in which foreign control is predominant are not allowed an interest in export markets because of the attitude of their parent companies.

Their parent companies are true free enterprisers and they do not want competition. The Canadian subsidiaries are told what they are going to do with their production and they have no alternative.

As Mr. Huson says:

In several cases the purchase by an American parent of a Canadian firm actively exporting to several markets has brought such exporting to an immediate end.

Once again the domination of a Canadian industry by foreign control, by people outside of this country. I am convinced that no free enterprise government can tackle this problem adequately, even although the Prime Minister goes around shaking a warning finger. The government may tinker with the problem; they may play with it; but I doubt if they will deal effectively with the situation which confronts us. In almost every case where a Canadian subsidiary manufactures the same product at its United States parent it is not allowed to export to United States.

All you have to do is look at our balance of payments to see how necessary it is that we export to the United States, yet the parent companies will not permit those exports and here is one of the largest markets for export which is denied to us. All this has been due to Liberal policies in the past. Here you have real control of industry; here you have real domination; here you have real concentration; here you have that age old prerogative of the harlot—power without responsibility.

Can a government believing in free enterprise clean this mess up? The government

has a responsibility in this matter which it will have to shoulder and it will duly suffer at the hands of the Canadian people if it does not do something about it. But what does the Prime Minister say in his speech at Dartmouth:

"United States companies investing in Canada should not regard Canada as an extension of the United States market."

So what? What does the Prime Minister intend to do about it; what does the Tory government intend to do about it? They have this problem; they have it and now it is theirs. They had better try to get some answers to it. Here is a picture of free enterprise working in the usual conventional way—not the free enterprise of the opium smoker but the free enterprise of actual crude everyday fact.

If new members of parliament are particularly interested in the antisocial effects of free enterprise I suggest they just go down to the parliamentary library and read there the story of how the United States oil companies and chemical companies during the war were dealing with nazi cartels and combinations to their own greater profit when their own people were dying. That is free enterprise. They could study also the story of Canadian free enterprise which is no better and see that when war was declared it refused to produce the materials needed because the level of profit was only 5 per cent. Let the Canadians die so long as we have profits—that is free enterprise.

Let me give you another and more recent illustration. George Humphrey, who was recently secretary of the treasury of the United States and was one of the architects of the anti-inflationary policy of the Eisenhower government left the treasury to become chairman of the National Steel corporation. American steel companies raised the price of steel this year by \$6 per ton and this was followed by an investigation by a United States Senate committee. Mr. Humphrey admitted that the \$6 per ton increase might be temporarily inflationary. What nonsense. Somebody has said you can no more have temporary inflation than you can have temporary pregnancy. You either have it or you do not.

**An hon. Member:** The other you can see.

**Mr. Stewart (Winnipeg North):** He was asked by Senator Kefauver since his plant was operating now at 80 per cent instead of the 98 per cent capacity of early this year if it would not be advisable to lower prices and so stimulate sales, but Mr. Humphrey couldn't risk it. Mr. Humphrey was not at all encouraging. He was told for