

Natural Resources—Development

We have heard the question asked yonder, what's a million dollars? Here, Mr. Speaker, we have it from the minister that \$448 million is practically nothing, because \$999 million and \$551 million are, to the Minister of Trade and Commerce "about the same amount". Is it any wonder that the trade of this country has been falling into the perilous position it now occupies, having regard to this commodity deficit of astronomical proportions?

But the government continues to ignore the position. Nobody over there on the benches opposite is worried. The Minister of Trade and Commerce goes to Japan and says, as reported on October 29 in the *Globe and Mail*:

Canada is perhaps the most open and unrestricted market in the world.

He does not worry about it. And when the Prime Minister was asked on September 29 about this huge and growing trade deficit, it is reported in the *Globe and Mail* that:

Prime Minister St. Laurent today declared that Canada's large trade deficit was causing him "no worry whatever".

The *Toronto Telegram* of the same date had this to say:

He (the Prime Minister) remarked jokingly that when it comes to optimism, he had been converted to Trade Minister C. D. Howe's brand.

I recommend to the Prime Minister that he should choose his brand a little more carefully before he swallows that kind of optimism. It is not the kind of optimism that is related to facts.

The government have stood by and watched the loss of Canadian markets for our agricultural products in the United Kingdom and elsewhere. That has not worried them, and when the Prime Minister was asked in the house on February 5 if the government would take some steps to call a commonwealth trade and economic conference he replied, as reported in *Hansard* at page 967:

There has been no consideration given to initiating a commonwealth trade conference and there is no present intention of doing so.

Let me make this perfectly clear. So far as Her Majesty's loyal opposition are concerned, we think a commonwealth trade and economic conference should be called as soon as possible, and there is no good reason why Canada should not take steps to initiate the calling of that conference; and if this government declines to do so the Conservative government which will be formed later this year by the present Leader of the Opposition will do it.

The present government's indolence and inactivity have occasioned another danger

[Mr. Fleming.]

which confronts Canada's trade, namely the growth of the movement in Europe and in the United Kingdom in favour of a European free trade bloc. This has reached the point where 17 European countries containing 250 million consumers within their boundaries are proposing to enter into a free trade area and a common market for their manufactured goods. The new Prime Minister of the United Kingdom has been a leader in favouring Britain's adherence to such a free trade bloc.

This confronts Canada's export trade with very serious dangers. Whether the government is alive to the dangers we can only guess, because we have been told very little, if anything, by the government. It does not wish to acknowledge that it is even concerned. Sir, we have had enough of a government that is indifferent in the face of the loss of Canada's precious markets in the United Kingdom for many of her agricultural products.

I have a word for the Minister of Finance, that Canada is losing trade today because of the high taxes that are imposed upon Canadian producers, and much needs to be done in this regard by him and his associates to help meet unfair competition from abroad.

I pass quickly now to the fourth of the elements in this national development policy, wider financial participation by Canadians in the development of our resources. Last July we drew attention to the serious extent to which the ownership of Canada's resources is passing into the hands of those who are not Canadians. The trend has proceeded since, for in a statement issued by the dominion bureau of statistics last September it is pointed out that there is an increase in foreign control over portions of Canadian industry. The extent of foreign ownership that we pointed out last July has increased in trend since that time.

The *Globe and Mail's* summary of the report proceeds:—

This investment has resulted in a great growth in productive capacity, said the bureau, "but the resulting liability represents increasing ownership and control by non-residents of Canadian industry."

It also represented "an increasing claim on the income of the country which may be expected to lead in the future to sharply increased payments abroad on income account."

It is pointed out that in the first six months of 1956 net imports of capital were more than double the amount for the same period in 1955.

Let me repeat what we have said before. We wish to encourage the influx of needed capital into this country, whether it comes from the United States, Britain or elsewhere, but we do wish to see Canadians participating financially to a greater extent in the development of their own resources.