

*Supply—Trade and Commerce*

is what *Canadian Business Week* of October, 1957 has to say:

Canada, again remembers its best pre-war Asian customer. In the late twenties, this country shipped as much as \$29 million worth of B.C. lumber annually to China. This is a market which the depression, World War II and post-war ideological divisions have completely dried up. Today, with the B.C. coast lumber industry in the worst slump since the depression-bound thirties, the cry has gone up from several senior west coast lumber company executives that China should no longer be excluded as a trading partner of Canada.

The article goes on to say this:

"It's the only fresh lumber market left", said one of them last spring . . .

During the last 18 months, senior Canadian and American businessmen, including Henry Ford II, Canadian-born multi-millionaire Cyrus Eaton, H. R. MacMillan, chairman of the board of Vancouver's MacMillan and Bloedel Ltd., and James S. Duncan, OBE, former president of world-selling Massey-Harris-Ferguson Ltd., have all come out for a realistic Red China trading policy. Last January, Ford called for a 'realistic decision' where China is concerned and Eaton warned the western powers to 'stop goading Red China'—

Then the article goes on further to say this:

The largest market on earth, perhaps already overcommitted to the Russian economy for industrial heavy equipment and to a limited degree for consumer goods, is virtually closed to the products of the west in any volume. Before it's too late and before it forgets what it once could buy from us, China's traditional consumer goods trade with us must be restored, say western businessmen and manufacturers.

Then in my few brief remarks I want to quote some statements favouring trade with China which now rise on every hand. Mr. W. C. Mainwaring, vice president, British Columbia Electric Co., Vancouver, B.C., had this to say:

Canada's exports to China dropped from \$37 million in 1947 to \$1 million in 1954 . . . there is every indication that China has dollars to pay for increased trade with Canada—

Mr. C. M. Forsyth-Smith, Canadian trade commissioner in Hong Kong had this to say:

There is a "promising market" in Red China for Canadian goods—

Hon. Earle Westwood, British Columbia provincial minister of trade and industry Victoria, had this to say:

The Chinese demand for fertilizer is so great that the annual requirements for the Shanghai area alone would absorb the total production of the Trail plant of Consolidated Mining and Smelting Company.

Yet here we are having to cut back production and men are being laid off while we have this large potential market for fertilizer and that fertilizer is badly needed in the Asiatic countries and in China.

Then again, Mr. Chairman, there is another statement I wish to quote. I may say that I am just summarizing and more or less taking statements from here and there so as not

[Mr. Herridge.]

to take up the time of the committee unduly in quoting these capitalist authorities to support the arguments we have made in this house for a period of five years. I have here in my hand a page from the *Montreal Gazette* of June 28. In it there is an article which is headed "Canada Losing 'Legitimate' Trade; Muir Finds Others Grab China Market". I just want to quote Mr. Muir briefly. In this article Mr. Muir is quoted as saying this:

"It was galling to meet (in China) and to talk with the selling forces of other Western powers, not only obviously getting business but enthusiastic about it, while our people seem to sit back and wait for a silver platter deal,"—

By our people he means the exporters of Canada and this government. He goes on to say:

The Canadian government should see to it that, "if any Canadian enterprise should be induced by outside influence to deviate from its responsibility to the Canadian worker and the Canadian economy by declining legitimate and clean business, drastic and immediate steps should be taken to discipline it"—

The minister sent a trade commissioner to China last fall and he informs the house this morning very briefly and in modest and mild tones and terms that there are "some possibilities" with respect to a market in China. I think it is obvious, however, that the leading industrialists in this country and the organizations to which they belong are not satisfied that this government is moving fast enough in this direction in order to take advantage of this great potential market. In concluding my references to these persons I wish to quote a resolution passed by the British Columbia chamber of commerce at its recent meeting in Vancouver which clearly indicates that this chamber of commerce was not satisfied with the government's policies in this respect, otherwise they would not have passed a resolution in these terms. This resolution was, I am informed, adopted unanimously and reads as follows:

Whereas Canada's volume of international trade is of vital concern to the economic welfare of all Canadians; and

Whereas the diversified product of its natural resource industries requires that trade should be conducted on a multilateral basis; and

Whereas exchange of trade and closer personal relationships are an essential factor for the development of international understanding and goodwill;

Therefore be it resolved that the British Columbia Chamber of Commerce urge upon the federal government the need for establishing trade relations with communist China, subject to the imposition of such conditions as would safeguard the movement of strategic materials.

It is obvious from that resolution that the British Columbia chamber of commerce is not satisfied with the actions taken by the government to date with respect to the development of trade with red China. Why