

The Address—Mr. A. Stewart

petroleum, mining, smelting, electrical appliances, automobiles, chemicals, pulp and paper. These United States subsidiaries control large segments of these industries. Let me quote from the Gordon commission in connection with this matter.

The influence which foreign-controlled concerns exert in some industries may be greater than the percentages which the amount of foreign capital investment in these industries might imply at first glance. This is because, in Canada, a relatively few large firms tend to predominate in many industries; and the influence which they exert in such industries may be pervasive and compelling. If these few large firms, or a majority of them, are controlled by non-residents of Canada, it may follow that the foreign capital invested in the industry, because of the way in which it is concentrated, in fact dominates or at least influences greatly the operations and the general conduct of the entire industry.

That is an extremely interesting statement, "Foreign capital ... dominates or at least influences greatly the operations and the general conduct of the entire industry".

What is happening is that they are not only dominating industries but they are now beginning to dominate the economy of the country as a whole. That situation, I maintain, presents many difficulties to Canada today. One of the great dangers it presents is the disappearance of us as a political entity. Here is what is happening. Again I come back to the *Financial Post*. You will notice, Mr. Speaker, I am using most reputable sources for my quotations. Mr. Michael Barkway had some rather interesting articles in the *Financial Post* in recent months. One appeared in the issue of August 10. Mr. Barkway has this to say:

Over a steadily widening area of Canada-U.S. trade the normal relationship between buyer and seller is being abolished.

In the majority of these bulk commodities there is no longer an American buyer bargaining with the Canadian supplier. The American buyer is doing away with that old fashioned process. He is getting control of the Canadian seller.

In other words, what is happening is what I outlined earlier, namely that free enterprise can only continue to exist by expansion, by domination, by the eradication of competitors and eventually by the creation of monopolistic industry. Yet that is the logic which actuates those who believe in free enterprise.

But there are also some other interesting facts to consider. I am quite sure that 90 per cent of the iron ore exported to industries in the United States comes from United States controlled companies in Canada. More than 90 per cent of our oil and gas are United States controlled, and about 80 per cent of our non-ferrous metals mined and smelted in Canada are United States controlled. About

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50 per cent of the pulp and paper comes from United States controlled industries.

There are great implications in the concentration which exists. The Americans are dominating these industries. What is wrong with Canadians today? Could they not have gone into these many fields which the Americans are in? The excuse that is given is that Canadian capital could not afford to take the risk of going in and opening up the northern regions of Canada because they had no guarantee of any markets. That argument, I suggest, is fallacious because Americans needed our products. But in typical free-enterprise fashion the Canadian capitalist sat on his hands and waited for the Americans to come in and do the job for him because the Canadian is afraid to gamble on his own country. The Canadian is afraid to risk his money on his own country. The inevitable result has been that foreigners have come in and have done the job for us. Certainly there are markets had free enterprise had any reality and had those Canadians who owned the capital gone out and fought for the markets. A more legitimate excuse is that the Americans had the technical knowledge. That I admit, but I still insist also that even today you can still hire brains.

In many ways—and I insist on this—we need United States capital. But that capital should have been controlled for the welfare of the people of Canada. A great many people shudder at the thought of this word "control". Yet let me remind the house that somebody is going to control this country. It is either going to be the democratically elected members of parliament or it is going to be big business for its own greater glory and of course its own greatest profits.

These are some other matters that should be giving us a good deal of concern. What, for instance, about the future shape of the Canadian balance of payments? That is going to be a substantial headache for Canadian governments in the future. I do not intend to go into the balance of payments question at the moment, except to say this. Rather over \$100 million a year is paid out in interest to the United States. Figures for dividends, however, are of importance. In 1953 we paid \$233 million; in 1954, \$237 million; in 1955, \$281 million; in 1956, \$326 million. These payments abroad must have an appreciable effect upon our balance of payments. Of course, they add to the debit. As I see it, they are going to cause all sorts of unhappy moments for those in the Department of Finance who are responsible for the whole balance of payments situation.

These difficulties are going to arise in abundance. They are bound to, because the