

Visit of Premier of France

equipment with which we were going to be able to manufacture goods, and then we would not have to buy manufactured goods any more from the United States. He left the impression that the situation would be much better this year. What is the actual result? The result is—

Mr. Harris: The greatest production we have ever had.

Mr. Green: —the biggest deficit with the United States we have ever had, infinitely bigger than it was last year, and it will probably be a good deal worse in 1957. And yet this government does not give the slightest indication of doing anything about it. We export our raw materials and our semi-processed goods, Mr. Speaker, and we continue to import largely manufactured goods. At some time this has to stop or we shall be entirely dependent on and in the hands of the United States.

We have suggested on this side as a remedy that there should be a commonwealth trade conference, having in mind that we would get more of our trade spread out among the members of the commonwealth rather than concentrating it almost entirely in the United States market. It would give us a better chance to sell our foodstuffs and certainly our manufactured goods.

Then I believe more encouragement should be given to the secondary manufacturing industries in Canada. The Gordon commission went into that very thoroughly, and I imagine this is one of the chapters that the members of the cabinet hesitate to read. Mr. Gordon and his associates set out clearly what is happening. They say:

Our secondary manufacturing industries sell most of their products on the domestic market; in 1955 only 6 per cent of the total output was exported. The main reason for this is the tariff and restrictive commercial policies of foreign countries.

This is particularly true of the United States whose tariffs, the report says, are in general much higher on manufactured goods than on raw or semi-processed materials. Yet in Canada these secondary manufacturing industries are finding their keenest competition coming from the United States. Here we have an industry which employs 20 per cent of the Canadian civilian labour force. In 1955 it employed 1,050,000 persons, and in that year it produced 22 per cent of our total net output. At page 66 the report says:

The future growth of secondary manufacturing industry in Canada will depend largely upon the size of the domestic market for its products and the share of that market which Canadian manufacturers are able to obtain. Exports will probably be of even less importance than in the past unless important changes take place in the commercial policies of other countries.

[Mr. Green.]

The commission goes on to recommend—this will be of interest to the Minister of Finance—two things. The first is that the industry be given the privilege of writing off over a very short period their capital investment in buildings, in machinery and in equipment, which the commission points out would be a most useful and effective incentive for reducing costs and increasing the ability of secondary manufacturing industries to compete successfully with imported products.

They make another recommendation that the government and other large bodies such as railways should make a practice of discussing their prospective requirement and their capital expenditure programs with their principal suppliers well in advance, so there could be a more efficient spacing of production, leading to lower production costs; and they instance freight cars. These appear to be practical suggestions, and I do not see why the government should not take some steps to implement such recommendations; but as yet no action by the government is indicated.

It is six o'clock, Mr. Speaker.

HOUSE OF COMMONS

ANNOUNCEMENT OF VISIT TO CANADA BY
PREMIER MOLLET OF FRANCE

Right Hon. L. S. St. Laurent (Prime Minister): Before you leave the chair, Mr. Speaker, may I ask leave to revert to motions for just one minute?

Mr. Deputy Speaker: Has the Prime Minister leave to revert to motions?

Some hon. Members: Yes.

Mr. St. Laurent (Quebec East): I should like to inform the house that Premier Mollet of France has accepted the invitation of the Canadian government to visit Canada after his conference with President Eisenhower in Washington, which will probably be toward the end of this month. I have not yet ascertained just exactly on what date he will be visiting Ottawa, but as soon as it is ascertained I will inform hon. members.

Mr. Howard C. Green (Vancouver-Quadra): That is very good news, but I suggest that the Prime Minister endeavour to arrange for Premier Mollet to address the House of Commons and the Senate, as has been done on former occasions.

Mr. St. Laurent (Quebec East): That will receive consideration, but I do not expect that his visit here will be of very long duration and some of these visits have come at week ends, as hon. members know. When