

Supply—Trade and Commerce

brings us down to the very obvious conclusion, Mr. Chairman, that it is up to us as Canadians to take the steps necessary to make Canadian products the ones which the Canadian buyer wants to buy. If we do not, we are simply not going to sell, and our unemployment will continue to rise year after year as it has done in the past few years.

The fact that we are slipping behind in this battle for markets, both domestic and export, was shown very clearly by the last report of the dominion bureau of statistics on trade matters, which showed that in the first five months of this year our surplus of imports over exports was \$128 million, compared with a surplus of imports over exports of \$109 million during the same five-months period a year ago. That is an increase of 17 per cent, and it is a serious increase indeed.

This situation was reflected during the last five months by a very serious increase in our unemployment, and for three successive months we showed post-war peaks. This was caused to a large extent by the fact that Canadian products were being beaten out, as I said, on price or design, or both, by products being made in other countries. This indicates very clearly that after 15 years of enjoying a seller's market, we are now up against extremely severe competition, and this competition is going to grow greater month by month as countries whose productive capacity was either disrupted or destroyed during the war get more and more into their stride.

In addition, we have countries like the United States which greatly expanded their industrial productive capacity during the war, which now can produce far more than the home market can absorb, and they are looking for additional markets in which they can sell their surplus production.

It is also obvious, Mr. Chairman, that we cannot refuse to allow foreign-made goods to come into Canada and compete with ours, because our prosperity depends to a large extent on export trade, and those people to whom we sell abroad certainly will not buy our products if we do not allow theirs to come into Canada and compete on a fair basis with those we produce here.

This leads us to one conclusion, and one conclusion only, namely, that if we intend to expand or even to hold our present domestic and export markets we must improve our designs and lower our costs. The question is, how are we going to do it? The obvious answer is that we must follow the example of two of our chief competitors, Great Britain and the United States, who

have undertaken greatly expanded industrial research programs, and that we, like them, through this industrial research program, have to develop new products, better products, better designs and improve our methods of production so that we can produce more efficiently.

These countries which are our most severe competitors today, such as Great Britain, the United States, West Germany, Japan, Czechoslovakia, and many others, have important industrial research programs. They have been able to move into markets which were formerly ours, and displace Canadian products. If we do not match their efforts, at least in proportion to our population, then we shall continue to slip behind more and more every day in this battle for markets, on which the livelihood of Canadian workmen depends. We shall continue to see unemployment rise every year as it has been doing in Canada during the past few years. As a matter of fact, we cannot sit back and simply watch what is taking place.

Therefore, in conclusion, it is obvious to all of us that a committee to investigate the best means of furthering industrial research and other forms of research in Canada should have been set up two years ago, when it was first suggested in this house by the hon. member for Lambton West. That suggestion received universal commendation from all sources across the country. I urge the minister, as I said before, to make this one of the first orders of business at the next session of parliament. I would hope that before this item passes we would hear from the minister that it is his intention that this will be done.

Mr. Dickey: Mr. Chairman, I think perhaps I should say a word regarding what has been said by the hon. member for Lambton West and the hon. member for Broadview in connection with the committee on research and atomic energy. Apparently the hon. member for Broadview is under the impression that these suggestions emanated from the hon. member for Lambton West, that the idea was originated by that hon. member. Of course the obvious fact is that there has been no hesitation on the part of the government to set up committees to study these matters whenever it appeared proper that that be done.

The first committee was the atomic energy committee which was set up in 1949. This committee did most valuable and excellent work, which fact apparently has escaped the attention of the hon. member for Broadview. Then in 1950 there was the committee on the national research council, which in spite of