

*Supply—Finance*

opposition had to say at Charlottetown, as reported by the Canadian Press. If anyone would like to have the article, here it is:

The Canadian government's approach to Britain's participation in the European common market is mistaken and negative. Liberal Paul Martin told the Prince Edward Island Liberal leadership convention Monday.

The former Liberal cabinet minister said the Diefenbaker government should try to unite Britain, the United States, and Canada with the European trade group in a North Atlantic community, rather than lecture the United Kingdom on its trade policy.

**Mr. Benidickson:** What is the matter with that?

**Mr. Hees:** I am very interested to note that all the members in the Liberal party present in the house applaud that statement. They are in favour of entering into a trade group comprised of Britain, the United States, Canada and Europe. Now, Mr. Chairman, this involves nothing less than free trade with those countries, including the United States.

**Mr. Pickersgill:** Ask the Minister of Finance what his interpretation was.

**Mr. Hees:** That is exactly what the hon. member for Essex East was putting forward on behalf of his party, and all the Liberal members present in the house applauded this suggestion.

This is an interesting suggestion, free trade, because it takes us back to the election of 1911, the reciprocity election. In making the suggestion, the hon. member for Essex East seems to forget that United States industrial plants, with a market ten times the size of the Canadian market, can usually produce on a much larger scale and at a lower cost than can corresponding Canadian plants. On a free trade basis with Canada, which is what the Liberal party is now advocating in this house, the United States plants would simply increase their production by 10 per cent, at very little extra cost, and pour their cheap goods into this country. The effect on our manufacturing industries would be very serious indeed.

It is very interesting to note, Mr. Chairman, where the hon. member for Essex East made his speech. It was down in Prince Edward Island, a province which is primarily interested in agricultural production, a province which could be counted upon to be interested in free trade ideas. I would suggest to the hon. member for Essex East that he make the identical speech, urging free trade with the United States, in his home city of Windsor. I ask him to go there and make his speech to the labour unions and workers of Windsor, and explain to them what he

[Mr. Hees.]

thinks would be the result in his own city if we had free trade with the United States.

**Mr. Pickersgill:** There is nothing about free trade with the United States in that at all.

**Mr. Hees:** That is exactly what a trading area, including the United States, would mean and the hon. member for Bonavista-Twillingate knows that quite well. If it does not mean that, what does a trading area mean?

**Mr. Pickersgill:** I will answer the hon. gentleman, since he has asked me a question.

**Mr. Hees:** I will answer the question.

**Mr. Pickersgill:** The hon. gentleman has asked me a question—

**Mr. Hees:** I have the floor.

**Some hon. Members:** Order, order.

**Mr. Pickersgill:** The hon. gentleman asked me a question and I propose to answer that question unless I am denied the opportunity.

**The Deputy Chairman:** Order.

**Mr. Hees:** I have the floor.

**Mr. Pickersgill:** Keep it; you don't want an answer.

**Mr. Hees:** I am saying, Mr. Chairman, that the European common market is a trading group which is moving towards free trade within that group, and the same kind of association, including Canada and the United States, which is being advocated in this house by the Liberal party, would include the United States and Canada in a free trade area. I should like them now to go out across the country and explain to all our manufacturers, all our industrial centres across Canada—

**Mr. Pickersgill:** Let me explain it now.

**Mr. Hees:**—what they feel would be the effect of free trade with the United States. As I say, United States plants have a far bigger market—

**Mr. Pickersgill:** Mr. Chairman, I am rising on a point of order—

**Mr. Hees:** There is no point of order. The United States plants have a market ten times the size of our market—

**Mr. Pickersgill:** On a point of order, Mr. Chairman.

**Some hon. Members:** Sit down.

**The Deputy Chairman:** Order; the hon. member for Bonavista-Twillingate rises on a point of order, and in that situation the minister should yield the floor.

**Mr. Pickersgill:** My point of order, sir, is a very simple one. We are debating the estimates of the Department of Finance. It was