

Export Development Act

obtained a breakdown from Dominion Bureau of Statistics of exports during the first 11 months of 1970, the latest figures that were available. I have compared these figures with the comparable first 11 months of 1969. DBS breaks down our exports into three categories. The first category is crude and consists of exports of raw materials. The second is fabricated, namely exports that have received some degree of treatment past the raw stage. Third, we have end product exports, which of course are fully manufactured articles.

Crude exports have increased from \$2,998 million in 1969 to \$3,961 million in 1970, for an increase of 31.1 per cent. Fabricated exports, which are slightly processed materials, have increased from \$4,836 million in 1969 to \$5,591 million in 1970, for an increase of 15.6 per cent. End product exports, finished goods, have increased from \$5,276 million in 1969 to \$5,553 million in 1970, for an increase of only 4.8 per cent.

● (3:10 p.m.)

It is obvious to all hon. members from the figures I have just recited that as our products become more processed the increase in exports during the past year has declined regularly and sharply. The increase in exports of raw materials has been very satisfactory; the increase in exports of finished products has been very unsatisfactory. It is obvious to all members that we have one of the important storehouses of raw materials in the world and that it takes little or no selling to dispose of them. Every industrial country needs these raw materials to feed its manufacturing processes. What does require considerable selling is our finished products. We must do a great deal of selling to increase our sales in this area because we are up against considerable competition.

Therefore, I should like to make a suggestion to the Minister of Industry, Trade and Commerce (Mr. Pepin), who has not seen fit to remain in the House during the debate on this important matter. Perhaps I should remind him, through his Parliamentary Secretary (Mr. Howard) who I hope will draw these views to his attention, that in future the government should pay more attention to an increased effort to sell these finished products which, after all, are labour intensive products which provide jobs. When there are increases in sales in this area the government can rightly take credit.

The minister should stop spraining his wrist by patting himself on the back everytime he refers to a figure which shows an increase in our total exports, because these increases are constituted mainly of increases in sales of raw materials which every country wants and which require no selling whatsoever. These increased sales provide very little in the way of increased employment. It is obvious from the figures I have mentioned that this government must get out and do a great deal more to increase our exports of finished products, particularly at this time when we are experiencing extraordinary and growing unemployment.

It is the sale of our finished products that provides jobs and successfully combats unemployment. We must concentrate on this area in the future. We must consider our

[Mr. Hees.]

two largest markets, the United States and Great Britain, and I mention them in the order of their importance. We must determine what the opportunities are for increasing our exports of finished products to these markets. I feel sure that those who have followed the trade scene in recent months have been struck by the very strong and increasingly restrictive attitude that is developing in the United States regarding trade. All one needs to consider is the trade bill which is at the present time moving through congress. This bill is aimed at greatly restricting imports into that country, particularly from the textile and footwear industries. These restrictions will be extended more and more into other areas as unemployment continues to increase in the United States. It is clear to all of us that we can expect an increase in this restrictive attitude prevalent in the United States today. We are going to find it increasingly difficult to sell manufactured products in that market. Certainly, we will be able to sell all the raw materials we have because those markets need them to keep their factories operating. They do not want our manufactured goods. We must fight for the sale of these manufactured goods in order to increase employment.

I am convinced that there are two certain things in respect of the British market. Great Britain is surely going into the European Common market. When that happens the British preference will end for all time. I speak with some knowledge on this matter because I faced the same situation exactly seven years ago. At that time Britain was making the same move to get into the European Common Market. That move was terminated exactly seven years ago this month by President DeGaulle when he suddenly decided that Britain should not be allowed entry. At that time Prime Minister Heath, then the minister in charge of shepherding Britain into the common market, visited Canada to talk over with the then Prime Minister, the Minister of Finance, and myself, the question of Britain entering the common market and the difficulties which would result to this country. We pointed out how important it was to this country to maintain the British preference and how severely our exports to the British market would be hit if that preference were removed.

Mr. Heath explained to us at that time that Great Britain would like to maintain the British preference but that it was completely out of British hands because a condition of entry into the common market was that Britain should set aside British preference for all time. Mr. Heath let us know that our hopes for maintaining even part of the British preference should be set aside and forgotten. This was a great shock to us. As I said, President DeGaulle stopped Britain's entry into the market at that time and the British preference was continued. What is taking place today is exactly the same thing. As I said earlier, and say again, there is no doubt that Britain is on its way into the common market. As soon as it enters that market, the British preference will be as dead as the Dodo for all time.

After Britain's entry into the common market, we will have tremendous difficulties in increasing our sales of manufactured goods to that market. We will have great