

*Economic Policies and Unemployment*

er, and the Acting Prime Minister (Mr. Sharp) says still another. Meanwhile, the Prime Minister (Mr. Trudeau) is touring the world at a time of economic recession similar to the collapse of 1929. The Acting Prime Minister says that he does not know who is stating government policy. He and the Minister of Finance contradict each other from day to day.

Let us look at what the Minister of Energy, Mines and Resources said in his recent speech in the United States. It seems to me, at the outset, to be pretty stupid diplomacy to blast the United States when they are still our best customers. If you are going to sell goods—and this is how you reduce unemployment—you do not tear apart your customers. That is a fundamental rule of good taste and good diplomacy. I should like to quote some of the minister's statements. I am certain that even if the speech did reach the Prime Minister's office, it would only be read by his staff while he travels throughout the world making the kind of news that does not help to create good will for this country. That is why the United States is now beginning to take a good hard look at Canada. We lost their friendship, as we did that of Great Britain, through the kind of diplomacy employed by our Prime Minister.

This is what the Minister of Energy, Mines and Resources said, and I quote from page 5 of his speech:

We have made these views known—

This is in reference to the sale of natural gas and petroleum.

—to the United States government, both officially and unofficially; in so doing we have urged that its decisions should be reconsidered and the controls removed.

I would be quite happy with this policy except that day after day members of the opposition, including myself, have questioned the government to find out what negotiations were going on with the United States with regard to the petroleum industry and what problems existed in western Canada so far as the grain trade is concerned. The problems of western Canada as regards industrial markets are reflected in eastern Canada. I believe we should set up a western economic council which could ascertain the facts, not only to help that region but to help the whole of Canada. That is the first positive recommendation I wish to make. Once that council reviewed the statements made in the speech, parts of which I will quote, they would cer-

[Mr. Woolliams.]

tainly make recommendations similar to the one made by the Economic Council of Canada. However, of course, if those recommendations were ignored by the government they would be useless.

At page 18 of the minister's speech, reference is made to the long term export outlook. I agree with some of the facts that are given and some of the reasons for them. It is stated that about 45 per cent of our oil is exported and that 98 per cent of the oil exported goes to the U.S. The minister says that the U.S. has just reviewed its import policy and that interim action directed toward modification of this policy is in hand. Then, the following statement is made:

Kind things have been said by U.S. policy makers about the desirability of looking to Canada to supply a large part of the growing volumes of imported oil your country will need; but at the same time it has been recommended by the Schultz committee that arrangements for free access for Canadian oil to U.S. markets should be contingent upon the negotiation of a "suitable energy agreement" with Canada.

What we should be doing is increasing our export of crude petroleum which would help our balance of payments with the U.S. and help the whole of Canada. We should be negotiating greater exports of petroleum to the United States instead of insulting that country, because the kind of diplomatic insults that this minister and the Prime Minister have handed out to the United States from time to time is no way to establish friendly business relations with our neighbour and thus help our economic situation at this time.

Then, after the minister has criticized U.S. cutbacks and has failed to give us any information concerning Canada's negotiations with the United States, he said the following, as quoted from page 21 of his speech:

And having regard to the long standing arrangements between our two countries in defence, trade and other areas, I cannot find it credible that we would divert such supplies unless by mutual agreement for a common purpose, or that we would violate trading agreements that were in effect between us.

In other words, the minister agreed to the unilateral cutback, but at the same time he said:

And having regard to the long standing arrangements between our two countries in defence,

Let us pause at this point. When did we lose the friendship and confidence of the U.S.? When we pulled unilaterally out of NATO, that is when we lost it.