

*Productivity and Trade*

increased by 3.7 per cent per year, compared with an increase of only 3.2 per cent in the United States. In other words, the over-all increase in Canadian productivity has been slightly greater than the increase in the United States, a country with whose productivity we compare our own.

In 1975, Canada's output per man-hour was virtually flat, while output in the United States registered a decline of nearly 1 per cent. We all hope that our economy will pick up steam as the economies of our customers pick up steam. I do not think we can expect our economy to move ahead more rapidly than the economies of other countries; we cannot expect exports to increase more rapidly than the economies of other countries. Productivity will be related to that pick-up, or increase, in business.

I listened carefully to the hon. member for York-Simcoe. I wanted to hear his suggestions as to measures the government might take to improve the productivity of Canadian industry. I found him wanting, just as I suspect his new leader may find him wanting. His leader said that he would tell the Canadian people what the Progressive Conservative party supports. He said they have to get across to the Canadian people that the Tory party is a party that stands for things. He said they must be prepared to tell the Canadian people what those things are. I will be listening carefully in the future for positive suggestions as to what the Tory party stands for, how productivity can be increased—specific, constructive measures and not just more give-aways.

● (1710)

In the few minutes I have left I thought it might be useful to give hon. members a very brief view of the investment situation as we see it at the present time. I can only put it in these terms. If Canadian business was not investing significantly, one could say that it lacked confidence in government policies or lacked confidence in the future. However, if you look at the figures, you will find that Canadian industry is investing. Canadian business spending on new plant and equipment last year rose by 18 per cent in value terms. That, according to national accounts, was in the first nine months of 1975. In the United States, investment in new plant and equipment scarcely rose at all in value terms in calendar year 1975 and little buoyancy is expected in this sector in 1976. Reflect on that, members opposite. If the United States was flat as far as investment was concerned last year, and Canadian investment increased by 18 per cent, surely that tells a story about the Canadian business climate.

In Canada, a survey conducted among 300 large corporations suggested that these firms plan an increase in outlay of 28 per cent in 1976. This is probably not representative of the sector as a whole. But it does seem that business capital spending activity will outperform that of the United States by a wide margin. If we look at the record, that is probably a lot better than the picture some members opposite wish to paint.

Finally, I wish to deal with one or two of the initiatives. There is not a large amount of time left to me, but I think that members opposite must admit that the government's initiative with respect to negotiating a contractual link with Europe is a very important initiative. If they agree, I

[Mr. Gillespie.]

would like to hear them say so. It would be very useful for the people of Canada to hear that the Tory party supports a successful contractual link. I would like to hear more from the Conservatives how they feel about sector negotiations in the MTN. If they believe, as we do, that sector negotiations are a very important initiative as far as Canada is concerned in this new round of trade talks, I wish they would say so. We would like to hear it. If the Conservatives feel as I do about the government's initiatives with respect to developing a new form of economic co-operation with Japan, one of our largest trading parties, they should say so. However, they seem to be mute when it comes to these matters. They are only interested, at least some of them, when there is an opposition day.

If they agree with us on the kinds of joint economic agreements we have negotiated with Iran, Mexico, Brazil, Cuba and others we are in the process of negotiating with respect to Middle East countries, why do they not say so? These are important initiatives.

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the hon. minister, but the time allotted to him has expired.

**Some hon. Members:** Carry on.

**Mr. Deputy Speaker:** There seems to be consent to allow the minister to complete his remarks. Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Gillespie:** Mr. Speaker, I thank hon. members for their kindness and generosity. I will be concluding in a very few moments.

There are some important questions of Canadian trade policy which are too often ignored. The whole Latin American area is of massive potential as far as Canada is concerned. The InterAmerica Bank is a very important agency for developing trade in that area. The government, and I as former minister, spent a lot of time working on better trade relations in the Americas. The Prime Minister (Mr. Trudeau) was in Cuba, Venezuela and Mexico as recently as the last few weeks.

**Mr. Alexander:** Forget about it.

**Mr. Gillespie:** He was there primarily for trade purposes. This is a vast area. I hope hon. members encourage businessmen in their constituencies to go to Latin America to discover for themselves some of those great trade opportunities. I am somewhat amused by the different attitudes toward Cuba and the U.S.S.R. On the one hand we were told that we had not been aggressive in competition as far as the U.S.S.R. was concerned because we lost to the Americans an order that should have come to Canada. In the next breath it was suggested that we seem to be wasting our time trying to write a similar volume of business with Cuba, very much closer to our doorstep. It is time the Tories recognized that Cuba is a major and growing market for Canadian goods, and started to encourage Canadian businessmen to sell into that market. It is totally ridiculous to suggest that we do business with the U.S.S.R. and at the same time hold back from doing business with Cuba.