

*The Address—Mr. Coldwell*

even if it were increased to \$500 it would not amount to very much in the way of trade from the United Kingdom or anywhere else overseas.

And then, thirdly, was the promise of a high-level trade mission to visit the United Kingdom before the end of this year with a view to stimulating purchases from the United Kingdom of goods presently imported from elsewhere, that is to stimulate purchases not only from the United Kingdom but from other commonwealth countries.

Now these are mere patches on present policies and they will not suffice; a mere carrying over into the new government of Liberal trade policies which I do not think this house should support any longer. Surely a new approach must be taken. Surely the British proposals ought to be considered with the care and with the sympathy they deserve. We are living increasingly in one world. The time has gone by when nations can expect to raise tariff barriers high against the world and live in prosperity behind those barriers themselves.

We in the C.C.F. party have always felt that tariffs are an outmoded, archaic and ineffective way of planning the Canadian economy. For instance, at no time were Canadian tariffs higher than during the period between 1930 and 1940, yet I doubt whether there was any other period in which Canadian consumers and producers alike suffered such hardships as were suffered in Canada behind those tariff walls during those years.

Canadian tariff policies have placed a burden upon the consumer, and particularly on the consumer in some regions of Canada, and it has been demonstrated again and again that they are quite ineffective in safeguarding the jobs of Canadian workers. As for the regional disabilities, those of us who have lived in western Canada, as I have done now for nearly 50 years, can look back over those years and see how the west has been exploited behind tariff walls built up to protect so-called infant industries which have since become giants in our midst. Over a period of years those infant industries have grown up into lusty middle age, and when they heard the proposal for free trade with Britain they began to scream that it would never do, because it would ruin them. As a matter of fact, I believe some of these industries, such as the electrical industry and the automobile industry, would actually benefit from free trade with the United Kingdom because they would then be able to sell some of their products in the United Kingdom market which is virtually closed to them today.

We say there should be a vast change in Canadian trade policies. We believe that

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rather than relying on a tariff structure to maintain a share of a restricted market we should be seeking to enlarge the market available to us, and not only to retain our proportion of that larger market but to free it and expand it. We believe that if the international trade organization which was proposed after the war had not been scuttled by those who were anxious to see the old trade policies of the world re-established, world trade today would be in a much healthier condition than it is.

One of the fundamental goals of the proposed international trade organization was to plan trade at the international level so as to ensure full employment and a high standard of living to all. The supporters of the international trade organization realized that international cartels were an important factor in some of the trade problems that were prevalent and it was to deal with these and other matters that it was proposed to set up the organization to assist trade between the nations on a freer basis.

The international trade organization was not established, but Canada should continue to press for this kind of development and as far as its own trade is concerned adopt a positive rather than a negative attitude. We believe that planned international trade through the establishment of national export-import boards would serve to enable us to carry out beneficial trade agreements, expand trade, safeguard our national interest and benefit our economy generally.

The magnitude of our trading problem can be seen when we compare the deficit on current account for the first half of this year with the same period of 1956. For the first half of this current year our deficit stood at \$914 million as compared with \$798 million for the previous year and \$348 million for the first half of 1955. This is a phenomenal figure and when we consider that almost 25 per cent of this balance or \$212 million arises from a deficit on interest and dividend accounts it becomes very clear that we cannot continue to rely as we have been upon the import of United States capital in order to balance our current account.

Interest and dividend payments have increased sharply from the level at which they stood in the same period for 1956, namely \$154 million. As the total of outside investment in Canada climbs the deficit on interest and dividend accounts will steadily mount. That is why the reliance which we have had in the past on United States investment will pose a greater and greater problem for the future, leaving the deficit in our cash trade balance increasingly dependent on the flow of United States