

Canada—U.S. Ministerial Meeting

[Translation]

Mr. Speaker, this whole matter concerning the United States can be summed up as follows: when American companies decided to ask their Canadian subsidiaries to refrain from investing in Canada and to try and repatriate their earnings without delay to the United States, the situation changed considerably as soon as the U.S. Federal Reserve Commission announced early in February that the interest rate on its loans would be raised from 4 to 4.5 per cent.

Shortly after, the Bank of Canada followed suit and increased its rate by .5 per cent or 1/200th.

The obvious purpose of the American government in announcing a stop to investments at the time was to increase its interest rate; afterwards, as soon as the interest rates were accepted, as soon as the Bank of Canada had followed suit and the Minister of Finance had given his consent, we are told today that the United States does not intend to prevent Canadian subsidiaries from acting otherwise than Canadian companies proper and as good Canadian citizens.

So much for investments, Mr. Speaker.

As far as trade with communist countries is concerned—I said only a word about it a while ago—the minister must ask the Americans permission to trade with China, Russia or Cuba, in short with any communist country in the world; otherwise, the U.S. will resort to reprisals against Canada. The minister is aware of this but breathes not a word about it.

I believe that to insure respect of our sovereignty, we should make up our own minds about trade with these communist countries and the Americans should keep their noses out of our national affairs. I think the minister should take a strong position in this matter.

I come now to my third point: Our participation or contribution in Viet Nam. There is here, and the minister himself stated—

● (3:10 p.m.)

[English]

“Finally, Mr. Speaker, I had several opportunities to review a wide range of international problems with Secretary Rusk.”

[Translation]

Reference is made here to our participation in Viet Nam. Canada is a member of the international control commission for the maintenance of peace. When the Canadian government decides to send technical aid, doctors, nurses or equipment to Viet Nam

[Mr. Caouette.]

while being one of the three members of a control commission for peace in the world whose aim is to help solve the problems that might come up here and there, I wonder if there is not a glaring contradiction in our sending technical aid to Viet Nam when we must work to have peace respected in that country, or at least for the establishment of a peace that does not exist at the present time.

The fourth point, Mr. Speaker, has to do with co-operation and collaboration in other fields. I think we are in favour of that. There are several fields, I believe, where we are already co-operating and collaborating with the United States. Inasmuch as our sovereignty and our internal administration are respected, we can co-operate with the United States in many fields, as long as it is to the advantage of both Canada and the United States, but not at the expense of one or the other. That is a sound policy. I feel that is the policy our government should follow.

Now, Mr. Speaker, this side of the house, and particularly our group feels that the hon. Secretary of State for External Affairs did not tell us very much that was new today. We are naturally eager for something more concrete, more details and especially to see more action on the part of the federal government.

[English]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I too wish to thank the hon. minister for seeing that we had copies of his statement prior to the convening of the house. I would say that this general conference now taking place annually between the cabinet members of the Canadian and United States governments is a good thing. We hope it will continue. We hope that as a result of this conference many of the problems that we face will be clarified.

One of the points that concerns me is this. Where does Canada come out of this so-called voluntary investment squeeze with the United States? This statement certainly does not clarify the picture. What is the situation going to be for the more than 900 American subsidiaries that are now operating in Canada? Is it true that Canada has really been given some special status under this United States guide lines program aimed at trimming direct investment and the repatriation of the earnings of these subsidiaries?

These are items upon which there will have to be much more elaboration if we are to understand what the situation really is in Canada. I would say, Mr. Speaker, that the