

*Natural Resources—Development*

whose investment counsel department issues this brochure dealing with the Gordon commission report and the reaction of Canadians to that report. I think every hon. member got a copy of this brochure, and I presume it has been read. It certainly is an intelligent and sympathetic appreciation of a possible Canadian viewpoint.

The hon. member for Vancouver-Quadra read one pertinent paragraph, and those who read *Hansard*, and who read my speech in *Hansard* can look back to his in the same issue and they will read the paragraph of this brochure to which I was going to refer. Then the article goes on, after dealing with this question of United States control, and says that the Canadian fear is justified—

. . . when the ultimate managerial decision will be made by persons whose thinking is conditioned by the prevailing state of affairs in a different economy.

In other words, to paraphrase that, one might say when the ultimate managerial decision in Canada will be made by persons whose thinking is conditioned by the prevailing state of affairs in the United States. They say Canadians are justified in worrying about that, and they go on to give examples:

Take the case of the development of natural resources. A United States company chiefly concerned with its world-wide raw material position may choose to "sit on" its oil or iron ore in Canada as a hedge against the future unavailability of reserves located in more politically sensitive areas.

Then they cite how during the depression years United States corporations withdrew their money from Canadian subsidiaries, leaving the Canadian subsidiaries broke, in order to finance their own operations in the United States and thereafter the subsidiaries were never able to get going again. As I said, I think we should appreciate the fact that there are people in the financial world in the United States who are broadminded, who are intelligent, and who have no desire to exploit this country. The fact that you do have a financial house which will deal with the situation as intelligently and as sympathetically as they have speaks well for that type of United States businessman. It is also a full answer to anyone who says that when we raise this question in the House of Commons it is Tory propaganda and should be treated accordingly.

So much for United States control of Canadian corporations, and I am going on now to this question, of the processing of Canadian raw materials in Canada. I feel the emphasis on this point has developed during the last five years because of the publication of the so-called Paley report in

the United States. There you had a commission set up by the President of the United States to study the economic resources of that country. A tremendous study was made, and the report covered several volumes. The net effect of that report is that in some cases the United States is now, and in many other cases will rapidly become, a have-not country in so far as raw materials are concerned. The Paley report emphasizes the fact that if the United States is to continue to be an industrial nation it must get its raw materials from other countries and bring them in for processing and manufacturing.

You may believe me, Mr. Speaker, that this is of interest to the people of Canada, particularly the younger people.

The matter has been discussed. I realize the possibility of criticism, and I realize the implications. Here is the old Tory party talking about tariffs, and they must be involved, and so forth and so on. There are all these clichés of the decades which we have heard, and all the political controversies of this country; but I had one most interesting experience a year ago in travelling around and through the maritime provinces with the then leader of the opposition, Hon. George Drew, and speaking in a non-political way to student bodies at Mount Allison, at Dalhousie, at St. Francis Xavier and at Acadia University.

They were non-political groups, student bodies; they were not political organizations but student bodies to whom he spoke. Obviously, everyone knew who he was and what he would be like. At least half the audience would not be interested in him when he came in, but as he developed this thought, the tremendous potential of Canada in those raw resources and the problem which was posed in the future as to whether those could be manufactured in Canada or whether they should be manufactured elsewhere, in each case when he finished that audience of rather cynical—perhaps "cynical" is not the right word to apply to young students—that rather suspicious and doubting audience rose and gave him a tremendous standing ovation because of this picture of Canada of the future and what might happen if this development took place within Canada.

These young people, Mr. Speaker, had only one interest, at least one primary interest. That was an economic interest, namely to live in Canada and to obtain employment here. Most of them did not want to go to the United States to earn a living. They wanted to live, preferably in the maritimes but certainly somewhere in Canada, and they saw this picture which was being developed