production was 5 per cent lower than in 1956. The upward trend in our exports is slowing down and, although they were satisfactory last year, they fell off these last few months, which causes some concern for 1961 and 1962. Our balance deficit is getting worse and the United States are not in a better position than we are, as the deterioration of their balance of payments is marked by an alarming outflow of gold and a threat to their dollar. Most of our industries suffer from a surplus of unused potential. In short, our economy is far from working at full capacity.

I therefore reiterate the question: What is the Canadian government doing in view of this situation? Unfortunately the government does not have a definite policy in connection with the common market situation. On the other hand, the government is worried, as it should be, about what would happen if we lost our British markets, and the government voices protests and threats. The Minister of Finance may well complain. Here is what a European leader recently said in Brussels, with regard to this whole matter, to a correspondent of the *Financial Post*:

> You should explain to Canadians that, even if we understand their problems, Mr. Fleming's threats cannot intimidate us... If our actions fail to please you, you are free to take any steps which your government thinks necessary.
>
> We like Canadians very much. But do not think that a market of 18 million people could, by any protests, bring about a change in our basic policies. You should keep a sense of proportion.

And he concluded by saying:

> If, out of sheer spite, you draw back into a protective shell, you will only complicate and multiply the troubles facing your economy.

I should now like to read into the record the words of somebody who was at the conference, somebody you never failed to quote here in this House of Commons, because he writes in the *Gazette;* the Minister of Labour (Mr. Starr) among others quoted him with glee the other day, when his estimates were being discussed. I am thinking of the financial columnist of the *Gazette,* Mr. John Meyer, who, on September 13, wrote the following paragraph during the commonwealth economic conference:

(Text):

Mr. Fleming (Eglinton): He wasn't there.

(Translation):

Mr. Chevrier:

> The Canadian government delegation at Accra is wasting its time trying to impress the British, and thus contributes to strengthen the view that Canadians are not able to look after their own business. For the last two years, the Canadian government did nothing to anticipate the effects of London's participation in the common market. All it did was threaten—
>
> That conference, like the previous ones in London and Ottawa, shows that our policy has failed.
>
> We are creating the impression of wanting in vain to oppose the rising tide of European economic expansion.

Mr. Martineau: Has the hon. member said that Mr. Meyer attended the conference at Accra?

Mr. Chevrier: Yes, I said that, but I accept the correction of the minister that he was not there.

All the same, the fact is that the *Gazette*'s columnist, a financier working for a paper quite sympathetic to this government, has written what I have just quoted.

Mr. Fleming (Eglinton): He has written nothing from Accra on this subject, I assure you.

Mr. Chevrier: He wrote what I just quoted and this shows clearly the views of his newspaper recognized in Canada for its Conservatism.

But I have another quotation to add to that one, from Mr. Olivier Moreau-Neret, who addressed the French chamber of commerce in Montreal only a week ago. He spoke on the French economy, the common market and Canada's stand concerning the common market.

Mr. Moreau-Neret, whose remarks have been reported in *Le Devoir, Le Nouveau Journal* and *La Presse* of September 21 said:

> Why are Canadians so concerned with the common market? We had the same concern in France about the common market, we were afraid of it, we joined it with apprehension but we joined and we are quite happy because our industries have been greatly revitalized.

Those are the very words reported in *La Presse* of September 21, 1961.

Incidentally, this French banker, who is chairman of the "Credit-foncier franco-canadien" and, through his corporation, is greatly interested in Canada as a whole, said:

> The common market may be the factor that did the most to rejuvenate France. We used to live in an atmosphere of extreme protectionism that was perhaps justified at one time, but that crystallized old habits and caused a lazy ageing of economic structures.
>
> In America, when nylon was killing flax, that was too bad for flax. We, in France, were subsidizing flax growers! With the common market, those methods are no longer admissible.
>
> And that is why, since we joined the common market, he added, the French economy has become young and strong once again.

A while ago the minister had American statements to put on record. Is he aware