

*The Address—Mr. Harries*

● (2:20 p.m.)

An example of the kind of thing that can happen and produce these sorts of economies is to be found in the agreement that Canada negotiated with the United States with respect to automobile production. But there is one essential difference. In the automobile industry we are in a situation of operating branch plants which, while integrated as part of the over-all United States automobile economy, are nevertheless subject to such decisions as might be made on a national basis by the United States which clearly has its first responsibility to its own citizens. This is an ever-present possibility and suggests, I believe, the major advantage of developing this kind of economic thrust within our own competence and control.

It seems to me, if this concept is a valid one, that the government ought to provide the same kind of leadership and the same kind of economic contribution as it provided during the development of what some historians have referred to as our resource-based economy. Surely, the money we invested in transportation in the earlier part of our economic life could now be withdrawn and used as a capital fund to provide the sort of assistance to large-scale development and consultation that was provided in earlier times to transportation. Here, I refer particularly to the metals industry and the chemicals industry, both of which lend themselves particularly to large-scale international development but I stress that such industries should be developed, sponsored and, as it were, controlled by Canadians in the interests of a viable national economy.

In these days it seems unrealistic to talk about government expenditures without at the same time indicating possible sources of funds for such expenditures. I suggest that we withdraw from those enterprises which we finance on a development basis the funds that are now not necessary for the continued activity of those agencies and, in particular, I would direct your attention, Mr. Speaker, to Air Canada. Surely, Air Canada ought to be owned by the people of Canada on the basis that they choose to invest in a national airline, not on the basis that their investment is made a compulsory part of citizenship, as it is today. There is no reason that I am aware of why Air Canada would not function in the national interest, would not function just as well and just as effectively, if it were owned by the people of Canada through a corporation of the ordinary joint stock variety. The

same thing might be said in respect of Polymer Corporation. I am aware that Polymer in particular makes a fine contribution to the funds needed by government, but surely this is not a reason for maintaining an investment that was started on a development basis when the continued existence of that investment denies us the opportunity for further expansion which is absolutely critical to our development.

Air Canada faces a period of growth in which large sums will be necessary, but these capital sums are not different in kind or in volume from those required by other airlines in the world, some government-owned and some privately-owned. In Canada, we have an investment industry with people competent to handle this kind of problem. We also have people anxious to invest in Canadian enterprises and I suggest, Mr. Speaker, that their money should no longer be tied up when there are other projects, for which no additional funds are available, which could find a use for it.

The same argument can successfully be made with regard to Canadian National. This is a good railway company which over the years has been burdened with a lot of unproductive lines and an unwieldy capital structure. To continue to operate Canadian National in the same manner that it has operated since 1921 is, I believe, to commit the same error repeatedly. I hope that as the development program of this government unfolds it will find accommodation for this kind of concept.

As a western member, I feel that I should make some particular reference to agriculture because we in the west realize that agriculture represents a fundamental part of our economy, a part in which each of us, even though we be urban dwellers, has a very substantial interest. I think it is correct to suggest that our agriculture policy ought properly to re-examine its direction and scope so that there may be a realignment consistent with what is happening in the industrial sector.

As you know so well, Mr. Speaker, agriculture has been based largely on a specialized export pattern. We have for years assumed, in connection with our grain, beef, hogs and so on down the line, that the low-cost producer will ultimately prevail in the world's markets. This may have been a reasonable assumption at one time but it is patently wrong today. As one farmer said, under present conditions the only time farmers are rich