

Another problem in northern Ontario is that at the present time there is potential for three additional pulp mills. This potential exists in the Spragge area, at the eastern point of Georgian Bay, and in my own area either at Elk Lake or somewhere along the Montreal River. As far as my own constituency is concerned, this mill is needed. Not only do we need it to create employment; it is needed because the timber on a limit that is much larger than the size of the British Isles is overripe. This limit was held for many years by the E. B. Eddy Company and only recently reverted to the Crown because E. B. Eddy decided to revitalize the K.V.P. mill at Espanola and instal pollution control devices, and as a result found themselves with insufficient funds even to consider the construction of another pulp mill in the Elk Lake area.

I am well aware that we have had our ups and downs in the last several years in the production of newsprint. I am also well aware that no company is keen on building another mill. Yet on the west coast mills are being built. Indeed, mills are being enlarged in northern Ontario. A mill in my area is not only necessary to provide employment and to be an outlet for goods and services; it is absolutely essential if we are fully to utilize the resource of the area. Although this resource is renewable, if the lumber becomes overripe it deteriorates and its value suffers.

In my opinion, if a mill is going to be built in the Elk Lake area within the next five years, it will have to be built with government money. Perhaps not all of the financial assistance will have to be provided by the government, but there would have to be a large contribution by the government. If E. B. Eddy decides to build the mill, we should give them 25 per cent of the capitalization, we should provide them with up to \$5,000 for each job created, we should give them a tax free benefit and we should make a number of other concessions to them. Why does not the government put this sort of proposition to the company: If you build this mill with a 60 per cent interest, then we will put up the other 40 per cent and the Canadian public will own that 40 per cent. You will be serving the needs of the people of the area and be providing a valuable service in developing one of our prime resources. At the same time you will have allowed the general public to invest in a Canadian concern.

This bill provides that if Canadians invest some of their tax money, other people will be able to participate on a direct basis. I am not sure you can have it both ways. As far as I am concerned, that proposition sounds a loaded one. If the minister is sincere in this regard, I think he should limit the financial angle to some sort of pension plan where the money invested would grow and the government would participate in the growth of that money. I am not sure that you can justify the "have-nots" having an investment portfolio with the government kicking in tax moneys all the time.

However, the public are not interested in the niceties of these situations; they are interested in the orderly development of the resources of this nation, and with government participation. In this regard there have been

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regional programs but I think that part of the fault with regional programs lies with the present minister, or certainly with those colleagues of the minister who have a regional identity and direction. But that is not really the crux of the matter. I think the crux of the matter is that some initiative must be provided by the government and the government will have to participate in development of resources.

Therefore, the limitation of \$1 million means that in most cases the industries in the resource areas and in the mid-Canada corridor who need assistance will not get it. In fact, the bill is discriminating against them. It is very easy to put money into Toronto, Vancouver or Montreal, and if you really believe in city states perhaps that is where you should put the money. Maybe this is what the Liberal government is going to do anyway. But if we are interested in the orderly development of this nation, as I see it the money with which the government will assist will have to be provided through the Canada Development Corporation.

● (5:00 p.m.)

If there is to be assistance in respect of orderly development, initiative will have to be shown in other areas such as the resource field which in turn will provide assistance in respect of employment, goods and services. Those of us from northern Ontario have said—I believe this is true of every member from northern Ontario—we do not care whether the benefit goes to Sudbury, Timmins or northern Quebec, because anything that is good for any part of the northern area is good for the area as a whole. If investment is made by private enterprise or by government, the result will be felt generally by all the people in the area. So we are not suggesting that something be undertaken in one specific place or another.

I have suggested that three smelters are absolutely necessary in the area where the base material is produced. They should be located in the resource area, and beside the refineries must be built the secondary industry which is more economic in such an area than anywhere else. The difficulties in respect of manpower and some other fields could be overcome by the influx of capital from government sources and the infusion of private capital that would follow government initiative.

I have been interested in watching the machinations of even some of my colleagues in respect of taking all the money in the area development fund for a year and building a pipeline from Prudhoe Bay down to Edmonton. If we built this pipeline, obviously we would have to look after the problem of ecology and take into consideration the indigent people in the area. As well, we would have to make arrangements for training the Indian and native populations in the area so that they could be employed. But we would eliminate any idea of bringing oil down the west coast which would have the potential of pollution.

I am pleased to learn that the government is thinking of making some kind of arrangement in this respect. We could take all the money we have and put it into one enterprise that would have a terrific secondary industry potential for the whole area. I think the hon. member for