

*Exports of Primary Products*

primary products by means of a tribunal, without taking account of positive factors, is a wrong-headed approach and one which will simply create more unemployment and weaken the primary sector of our economy. I, for one, cannot see how weakening the primary sector can do anything to advance the secondary sector. I hesitate to conclude on a partisan note, but what we need is Progressive Conservative policy.

**Mr. Herb Breau (Parliamentary Secretary to Minister of Industry, Trade and Commerce):** Mr. Speaker, the hon. member for Calgary Centre (Mr. Andre) says he is hesitant about concluding on a partisan note. I am happy he did. I am happy that at least one member on that side of the House will support the corporate tax measures sponsored by the Minister of Finance (Mr. Turner).

• (1750)

The hon. member said we should have more positive and aggressive policies that would encourage secondary manufacturing in Canada. The budget measures of May, 1972, introduced by the Minister of Finance do exactly that, and I am happy to see that the hon. member for Calgary Centre will support those measures. I hope they will be passed by the House, since they are necessary for the economic well-being of Canadians in the future.

**Mr. Andre:** When will they come before the House?

**Mr. Breau:** They will come in due course, and I am happy that the hon. member will support them. His colleague from Saint John-Lancaster (Mr. Bell) will also support them in view of their importance to manufacturing, not only in his constituency but in his province. The hon. member mentioned that in the last four years secondary manufacturing industry in Canada has deteriorated. I notice he used the word "détérioré" and did not say there was "less" manufacturing. I suppose he wants to be on safe ground. I am sure he is an honest member and he would not say things that were not accurate.

**Mr. Knowles (Winnipeg North Centre):** All members are honest.

**Mr. Breau:** That is right. So I do not want to impute motives. But he used the word "détérioré"—I have difficulty saying it in English—rather than saying it had diminished. I do not think it is a fact there has been less manufacturing in Canada in the last four years. I do not have the figures in front of me—

**Mr. Andre:** I have.

**Mr. Breau:** Then I should like to see them. I have figures in my files prepared by the Department of Industry, Trade and Commerce that prove the contrary, that in fact Canada has improved its manufacturing position a great deal. The hon. member spoke about the Liberal government's record. Let me remind him it was this government that brought in the corporate tax measures, which I hope his party will support. Obviously he will support them because he wants strong secondary industry. It is the Liberal party that brought in the Regional Development Incentives Act which is applicable only to the manufacturing and processing industries. This measure was

[Mr. Andre.]

brought in in 1969 by the then minister of regional economic expansion for the purpose of encouraging strong secondary industry in slow growth areas of Canada. As a matter of fact, in the hon. member's own wealthy province this act has benefited many people by creating long-term manufacturing jobs.

So I cannot accept the fact that secondary industry has been worse off since the Liberal government took office four and a half years ago. Neither can I accept the fact that we do not have aggressive policies. My difficulty with the Progressive Conservative policies which were referred to by the hon. member is that I cannot find out what they are, in many instances. Perhaps if we saw them we might support them; you never know. Certainly I should like to see some clearcut policies emanate from that party. Last night on the national news I heard the leader of that party speak about the corporate tax measures, and again he tried to confuse the issue. He tried to capitalize on the sentiment that exists in this country against corporate tax cuts. We must realize that some people in this country see no benefit in these tax cuts. I do not agree with these people. But last night the Leader of the Opposition (Mr. Stanfield) tried to fan those sentiments by saying the measures were not enough to meet the problem.

What the hon. gentleman wants to do is to extend them to the service industries and primary resource industries, which I think is totally illogical if we are to develop a strong secondary manufacturing industry that can compete with other countries. He mentioned the protectionist attitudes of the EEC and, I will not say the protectionist attitudes of the United States but certainly the different attitudes in the United States from what we have witnessed in the past.

I think this government has done a great deal to encourage secondary manufacturing. As a matter of fact, we have done so well that the government of the United States is very concerned about it. It is so concerned that it is trying to divert production from Canada to the United States. President Nixon expressed concern in a recent report to Congress about the matter. So there is no question that we have done very well out of the auto pact and in other ways.

May I now deal with the bill before us. Secondary manufacturing is referred to in the bill, and I have to deal with it since the hon. member raised it. I would also commend the hon. member for Timiskaming (Mr. Peters) for having brought the bill forward, because it is certainly a subject that interests me. While the export of these products is not prohibited, I think that management of the resource is of greater importance. In practically all cases, non-renewable resources are in the hands of the province. For example, in my own province too many minerals and other resources are being exported in a raw state without any processing. This is the case with minerals in my constituency in northeastern New Brunswick.

As the result of action taken by the very active Robichaud government of New Brunswick some time ago, these mines were developed. The government of the day forced the company to build a smelter to process the minerals. The company did so, even though it said it would not make a profit until 1975, I believe. Nevertheless,