

There has been little offered in support of the contention that their handling of the situation would have been any better. I shall not get into that area because it does not seem to be one that is very effectively dealt with by the opposition.

I should like to come to grips with what is, surely, part of the problem in respect of unemployment and specifically an industry which is of central importance to our economy, an industry that has over the past few years been living in a state of siege beleaguered by imports from low-wage countries, an industry which in my view should be a key sector of our economy, with policy developed accordingly. I am referring to the electrical industry. I propose to deal with it in two sections. I should like to relate the position of the electrical industry to two policy statements which have come from the Department of Industry, Trade and Commerce, both of which I concur with and both of which I consider to be directly relevant to the situation in which the electrical industry finds itself. These statements offered some hope of reprieve from what otherwise might have been a very damaging and potentially dangerous situation.

I do not have to remind you, Mr. Speaker, of the importance of this industry because you know it as well as I. You know the range of engineers, draftsmen, workers and scientists employed by the industry and you are aware of the level of research and development carried out by it. You know its record in the field of nuclear research and atomic power development. Right now it faces some very serious threats.

I want first of all to deal with the potential problem of offshore concessional financing, specifically as this relates to mining contracts and projects. I am speaking specifically of the Iron Ore Company of Canada in the Sept Îles area and other mining projects which might also be affected by the situation in respect of offshore concessional financing. I begin by referring to a statement made by the Minister of Industry, Trade and Commerce (Mr. Pepin) in the House on May 26, 1970, which appears in *Hansard* at page 7319. It was a statement on Motions under the heading "Announcement of program to alleviate adverse impact of concessional financing by foreign governments".

The minister in his statement recognized clearly that the manufacturing industry had been making representations to the government concerning what it considered to be highly attractive financing terms available to their competitors abroad. In his statement at page 7319, the minister on behalf of the government said:

The government is satisfied that in several instances the availability to foreign manufacturers of export credit at lower rates of interest has resulted in substantial loss of business to individual Canadian companies which otherwise would have been competitive in price, performance and delivery.

The minister went on to recognize the difficulties or dangers involved in a full-scale credit race and concluded, prior to stating his policy recommendations, with this statement:

—the government has decided to take a number of steps designed to mitigate the adverse impact of foreign government financing of exports to Canada which causes injury to Canadian industry.

Employment Programs

He went on to mention four proposals, one of which relates to the invocation of the provision of the anti-dumping act. He said:

First, Canada will use all available means consistent with its international obligations to curtail foreign government financing of exports to Canada in cases where it causes material injury to Canadian industry. In this context, consideration will be given to invoking the provisions of the anti-dumping act in specific cases.

One of the steps he suggests the government should take involves closer co-operation with the OECD to work out arrangements in respect of concessional financing in trade between developing countries. He raises other points and emphasizes certain proposals to deal with this problem.

I think all of us in this House strongly support the position outlined by the minister on May 26. All of us, particularly those who represent ridings which have industrial manufacturers within their boundaries, realize the importance of this statement. It so happens that right now one of the important industries, namely, the electrical industry, is faced with the prospect of offshore concessional financing which, if not matched by a Canadian equivalent, could lead to the loss of a large number of jobs related to mining projects in Quebec. I have in mind jobs that could be handled by Canadian manufacturers who are totally competitive. These jobs could be lost simply because the accounting is wrong, because offshore concessional financing is not matched by an equivalent in this country.

I refer specifically to the Iron Ore Company of Canada and a project there which could involve some \$200 million. The part of the project which could be handled by Canadian manufacturers in the electrical sector amounts to at least \$15 million, and the part in the mechanical sector—such as pelletizing equipment, grinding mills, etc.—probably runs in the area of \$60 million. Canadian manufacturers are competitive in every sense of the word, in these particular areas and probably in others. At least in these areas there is no question at all about competitiveness. But there are competitive United States suppliers who would have available to them, through concessional financing, terms which could make the Iron Ore Company of Canada lean toward United States suppliers rather than toward Canadian suppliers.

• (8:10 p.m.)

What this mean in terms of jobs, and in this debate we are concerned about unemployment, I can only guess. My guess would be that in the electrical sector it would probably mean 750 man-years, but in terms of related industries such as steel and aluminum, plus the service industries, that figure could probably be tripled. This is a specific contract in respect of the Iron Ore Company of Canada where concessional financing is being offered, but there are other companies in respect of which it is not yet offered. However, if concessional financing is not matched in this case,—all subsequent contracts may well be affected.