

*Canada Development Corporation*

would be concerned only with the smelter, and I am concerned with the future of the whole industry in this region. Those who will be administering the CDC, as I see it, will be interested in developments of this kind. I believe the government should put money into the CDC and I believe the people will be willing to do so.

When the CDC advances funds to a company it should receive equity stock. To my mind there has never been a more stupid operation than the system of regional development grants. We provided to Timmins an immense amount of money, \$5 million or \$6 million, to build a smelter which had to be built there anyway. We provided it, yet we allow Texas Gulf to benefit. Why shouldn't we own it? Why shouldn't we exercise enough control to ensure that all the ore mined in the area could be processed by that smelter?

Why cannot we acquire an equity of 25 per cent or 50 per cent, or whatever is needed to develop a precious metal smelter in the Cobalt area? Why cannot we build a smelter in Sudbury? Why should it be necessary to send ore to Montreal? The reason this is done now is the nature of the grant structure and the fact that the Minister of Regional Economic Expansion (Mr. Marchand) favours Montreal. But I cannot imagine that any intelligent people in Montreal would want a smelter to be built there. In Sudbury the smokestack is almost high enough to be seen from Toronto, and they say that in favourable conditions smoke from it will blow over New York.

**An hon. Member:** Favourable?

**Mr. Peters:** If it is intended to develop a mid-Canada resource corridor, we shall need federal money and lots of it. I am not interested in Rohmer getting this grant. It is almost like giving it to Prince Charles to develop the Hudson Bay lands. I am not interested in Rohmer doing it. But let me tell you, Mr. Speaker, that he has shown a lot of initiative and the people associated with him have shown initiative in appreciating all the advantages of a mid-Canada corridor. He thinks it is a heck of a good idea and all he wants from the government is the right to exploit it—and he uses the word "exploit" freely. If he can see any advantage in it, surely there are people within the government service who can look at the proposition and determine what advantages exist for the Canadian people. It will pay handsomely.

It seems we are reluctant in this country to plant trees. I am reminded of a little story I read in the paper about a small community not far from the city of New York whose population decided years ago during a depression that they would plant trees on a large area of land which had come to them in lieu of taxes. They planted the trees and I understand that even today the money derived from the cutting of those trees on a controlled basis is enough to defray all their municipal costs. If this is true of the renewable resources belonging to this little town in New York, I am sure it is all the more true of the northern part of Canada and that if we seriously undertook the development of this region we could expect to be rewarded proportionately.

Recently Premier Bourassa of Quebec was in the Rouyn-Noranda area and was talking about employment

[Mr. Peters.]

and expansion of the base metal industry. There is talk about putting in a new smelter there to handle the resources in northern Quebec as well as some of the resources in northern Ontario. Why should this smelter be built in some other area? Obviously the refinery should be built where the resource is. If it is necessary for the nation to provide financial assistance to build this smelter in the best location, in terms of maximum employment, then we should be prepared to finance it. But companies that ask us for that kind of support must also provide the Canadian people with an equity for the investment they make, and the Canadian people should have some say in the operations. I do not know what guides the thinking of this government, but it always seems to me that it depends upon whose ox is being gored, when it comes to providing help. We are providing many people with a good deal of monetary assistance which is not absolutely necessary.

● (4:50 p.m.)

I see the hon. member for Sudbury (Mr. Jerome) is here. He knows much better than I the amount of money that has been poured into the Sudbury area through various development programs. He would be in a better position than I to decide whether or not a smelter is required in that area instead of exporting the ore to another province. Probably he is also in a better position than I to say whether or not financial assistance is required to build that smelter. But I think he would agree, on behalf of all the people of Sudbury, that they are not very interested in exporting any resource that would assist in the growth of the Sudbury area. Perhaps he would also admit that neither Inco nor Falconbridge needs a handout from the government. If they accept a handout in the form of some tax concession, then these companies should be prepared to give the people an equity, to the extent of the assistance that is provided, in one form or another.

All across the nation, and particularly in resource-based areas of Canada, we are desperately in need of secondary industry. In my area there are two reasonably large iron pelleting mines. I am not suggesting that we should take away from Jones and Laughlin their captive mine, though rumour is circulating that they have sold the mine to the other operating mine simply because Dofasco is Canadian and Jones and Laughlin is not. Whether or not they have taken note of the nationalistic leanings of the Canadian people and decided that this sale would be to everybody's advantage, I do not know, but that is the rumour. What I do know is that northern Ontario has enough iron ore to operate a very large steel mill for many years. There is an immense amount of iron ore in northern Ontario, and this resource can be supplemented from northern Quebec where in the Belcher Islands there is an almost unlimited amount of iron ore. If the government wanted to solve regional problems in northern Ontario, then the installation of an up to date steel mill that would employ several thousand people in the secondary industry that would be built around it would give the Canadian public their money back many times over.