

pay a rather high rate of interest to get the money, but at least they have been able to establish or expand their enterprises. There is no question about the fact that it is a matter of urgent concern that we help small businesses with their financing, and everything that we do to assist credit unions will certainly benefit Canada and Canadians. There are now 55,000 credit unions throughout the world with 38 million members. In Canada, every fourth person is a member of a credit union, and 5½ million Canadians are enrolled in 4,500 credit unions. Ontario has over one million members in 1,400 credit unions. When the Speech from the Throne speaks of extending and improving the Industrial Development Bank, of improving financing facilities for small businesses, and of assisting credit unions, I certainly agree that these are necessary measures.

The question arises, however, as to what the chartered banks are doing in this country besides paying healthy dividends to their shareholders. Bank stocks are once again among the favourites this year, and no wonder. The combined after-tax profit of eight Canadian chartered banks was \$229,956,000 in the year ending October 31, 1972, an increase of 23.2 per cent from the profits in the 1971 fiscal year. Banks are able to maximize their profits by depressing the rates of interest paid on deposits, by raising service charges as much as the market will bear, and by lending only to low risk projects.

It is obvious that projects sponsored by large United States companies will be preferred over ventures by smaller Canadian groups. Mr. Speaker, it is not right that our banks should be helping United States businesses buy out Canadian companies. It seems to me that our banks ought to reflect the national interest in their money lending policies. They ought to invest in Canada in proportion to the resources they derive from Canada. Recent studies have shown that there is no shortage of capital in Canada. New American capital that comes into this country is far exceeded by the export of capital to the United States by Canadians. One of the big failures of our banks is that they do not go far enough in allocating funds to specific regions of Canada, especially developing regions, and in permitting branches there to utilize the money in the best interests of that area.

The Speech from the Throne speaks of measures to increase Canadian participation in the ownership and control of resource projects. There may be some jurisdictional disputes in this regard, Mr. Speaker, but it is clear that action is required if our resource regions are to be truly Canadian rather than merely economic frontiers of the United States.

The rapid increase in the American demand for particular Canadian raw materials arising from the expansion of American industry and the progressive depletion of American domestic sources of supply, has placed Canada in an advantageous, and yet very dangerous position. In the short-term, the effects of this trend are obviously beneficial for Canadian producers, but this in turn leads to a potentially dangerous drain on the total Canadian resources in the long run. A good deal today can become a sell-out tomorrow.

The history of resource development in Canada includes varying degrees of emphasis at different times

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on exploitation, conservation and management. Today, as a basis for resource development and in the making of any new resource policy, the need for orderly management of our resources must be recognized. Although research has not indicated any short-term scarcity, the long-term outlook underlines the need for immediate action to prevent the rapid depletion of our non-renewable resources. Only a policy of orderly management will secure for future generations the optimum benefit from our resources; only a policy of orderly management will be able to rationally bring about a reconciliation of the goals of economic growth and environmental quality.

In conclusion, Mr. Speaker, I should like to say a brief word about water resources in northwestern Ontario. We have one of the most abundant supplies of fresh water of any region in the world. The government of Canada and the Ontario government are currently engaged in a jointly sponsored study to assess the extent of the water resources in this region. This activity makes us very nervous and just a little uncomfortable, Mr. Speaker. We have had repeated assurances from both the federal and the provincial governments that no massive diversion schemes for our northward flowing rivers are being contemplated. We want very much to believe that, but it is often difficult to trust the word of governments, as the citizens of Manitoba recently discovered with reference to a hydro project in that province. Mr. Speaker, I call on the Minister of the Environment (Mr. Davis) to cease and desist from all studies of our water resources which include the possibility of river diversions. Instead, why not transfer these funds into archeological and ecological research and into economic development projects which will benefit our native people.

I would ask the Minister of the Environment to withdraw, on behalf of the federal government, from this agreement with Ontario, which we believe may be a first step toward another huge hydroelectric project involving damming, flooding and general environmental destruction on a terrifying scale. We in northwestern Ontario do not want something like the James Bay hydro project in Quebec or something like the proposed Churchill River diversion in Manitoba. We respectfully ask both levels of government to recall their engineers and hydrologists—to please get out and stay out. Any attempt to divert our great northward flowing rivers in northwestern Ontario will be met with well organized, lawful resistance. There is now in existence an active citizens group to watch carefully and closely all and any activities related to river diversion in our region. We ask the Minister of the Environment for yet another word of reassurance that diversion schemes are not being contemplated and that any studies of such a possibility will be terminated.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, may I join with other hon. members in offering you my congratulations on your election once again as Speaker of this