

*Exports of Primary Products*

terms of number of jobs, profits, growth and so on, has deteriorated drastically. This is a direct result of economic policies introduced by the Trudeau government. It is not the result of having a healthy primary industry. If we are to encourage the growth of secondary manufacturing—and I hope there is unanimity in the House for doing so—we must address ourselves to the fundamental reason for our being in this state, namely, the economic policies of this government. We must provide, and this word may cause some difficulty for the hon. member for Timiskaming, incentives to Canadians in the way of taxation policies, fiscal policies; and we must aggressively seek export markets for our manufactured goods.

We should provide incentives in the way of economic policies, as outlined by my colleagues, specifically the hon. member for Don Valley (Mr. Gillies) during the budget debate. This would do more for promoting the growth of secondary industry in Canada than any negative policy of limiting the export of our natural resources. As the hon. member for Thunder Bay pointed out, implementation of this bill at this time would directly result in a great deal more unemployment and economic hardship. For that reason alone it should be defeated, as I am sure it will. Anyone who looks at this approach in a careful, unbiased manner will see that it is totally negative and totally at odds with the desires and abilities of the Canadian people. As I have stated, we should implement aggressive policies to expand our manufacturing and supportive industries. The hon. member for Timiskaming indicated that he expected Canada to benefit through increased trade with the Common Market in the near future. I sincerely hope he is correct, but I question how this expansion will be achieved by government action which is basically out of our hands.

• (1740)

What worries me about Canada's long-term trading prospects is that we may become increasingly isolated as a result of the policies of a protectionist United States and a protectionist European Common Market, while the Pacific market is increasingly taken over by the Japanese with very little competition from ourselves. I do not think we can succeed in breaking down these barriers by adopting a policy of not exporting our primary products. This will do no good because there are alternative sources of supply. We are blessed by a bountiful supply of natural resources, thank goodness, but this does not mean we have a corner on the world market—not by a long shot.

The hon. member for Timiskaming told us a genuine success story about the processing of wood products in northern Ontario. He implied that since certain methods worked in this case, they would work in other cases where raw materials are abundant. For instance, he told us that because of the tremendous variety of products which could be made from oil, we should require that many more of these products be manufactured in Canada. But the analogy does not hold; I feel I must repudiate the arguments put forward by the hon. member. He was correct in saying that an enormous variety of products can be produced from the raw material, but if they were all produced here, delivering them to the markets which required them would be a task of enormous complexity.

Then there is the question of scale of production. Like it or not, our domestic market is limited. This situation has good points and bad points. It means there is more of Canada for each Canadian to enjoy—and I like that. It also means there is a smaller market, and the unit cost of producing goods is greater. When one talks about petrochemical products, scale is everything. It is simply not economically feasible to require that all petroleum products which end up as consumer products should be processed to consumer product level within Canada. The volume of production required in the processing plant in order to bring the product within the economic reach of the consumer is simply too great.

Our fundamental criterion, when we consider the question of our raw material resources and the extent to which we should limit their export and require reserves to be kept for the use of future generations, must be the maximization of the national good. Licensing provisions governing the export of oil came into effect on March 1, so this bill is redundant in this respect. Two extreme positions could be taken. For example, we could allow export without restriction. This would be irresponsible, and nobody has advocated such a course: I include most of the people engaged in the oil industry in Calgary. The other extreme point of view is that no exports should be allowed. Members of the NDP have expressed themselves in favour of such a stand. Their justification is that figures produced by the National Energy Board indicate that Canada has proven continental reserves sufficient to last for about 15 years. The thinking goes that if we have only 15 years' supply left, we should halt exports and keep the oil for Canada.

Mr. Speaker, this would guarantee that in 15 years we would run out of oil. If we were to stop all exports it would mean that all exploration, all drilling activities, all the industry's activities in Alberta would come to an end, incidentally throwing thousands and thousands of Albertans out of work, not to mention the fact that the government of Alberta would lose millions of dollars in revenue. The fact is that such action would prevent the discovery of the millions of barrels of oil which still exist somewhere in Alberta but which have to be discovered through exploration programs.

If, instead, we adopt a reasonable policy of allowing exports while protecting Canada's needs, this will guarantee the continuance of an exploration program which will ensure that reserves will continue to build up, and at the end of 15 years we shall be able to rely, in terms of reserves, upon at least as much as we are counting on today. It is an on-going process. It cannot be viewed in the simplistic manner some have adopted. I hope the government appreciates all these factors and will take them into account when implementing the regulations which accompany the licensing procedure.

In conclusion, let me say that the motivation of the hon. member in introducing this bill is highly commendable. I agree we must conserve our resources for the benefit of future generations, and prevent irresponsible exploitation. We must also do something about the position of secondary industry in this country if we are to cure our unemployment problem. I agree with the hon. member in this regard. However, I believe that to limit the export of