*Export and Import Permits*

Yet today we see a foreign exchange rate that indicates that our dollar is worth $1.04 on the market in comparison with the United States dollar. If we were classified according to the efficiency and productivity of our manufacturing industry, our dollar in relation to the United States dollar would probably be worth not more than 75 cents. A great deal of the problem is caused by our willingness to pour out the raw resources of this country to the markets of the world unprocessed and untreated, raw resources that a hungry world, a world dying for unprocessed raw products of our forests, soil and farms, so easily consumes. We have all seen or heard of the brown-outs in New York. We have all heard of factories in other countries closing because there is no energy available to them. What we do here is pollute our rivers, our streams and our air to produce raw materials for someone else's factories, hydro-electric power for some one else's air conditioners.

It is about time this government, or any government which is to govern the country during the seventies and for the balance of the century, showed concern about the resources at our disposal. We sold coal to Japan at one time because we could not sell it anywhere else, and we sold iron ore to the smelters of the United States because we could not sell it anywhere else. We have sold our pulp and pulp logs to other countries because we could not sell these materials anywhere else. We have discounted our lumber and sold it cheap because we could not sell it anywhere else. The reality of 1974 is that the world is starving for the raw commodities we can produce. Anyone, even Simple Simon, could sell pulp in today's world. Simple Simon could sell wheat to a hungry world. Simple Simon could sell iron ore and coking coal to starving smelters in Japan. Anybody could sell to the people in New York City a little extra electricity, especially when they have a brown-out and the air conditioner is not working because there is no power.

It does not require any imagination to sell our raw materials in the world of 1974. Anyone can do so, and that is exactly the problem. The raw commodities of this nation have been bid up and bid up. The consequence is that our dollar stands at $1.04 in comparison to the United States dollar, when on the basis of productivity, on the basis of manufacturing efficiency, it should be considerably less, possibly 75 cents.

I hope the minister in presenting this bill is putting forward a new policy with regard to commodities. I trust when I vote for this bill, as I intend to do, that this is what the minister has in mind—that we shall not just give away our resources, holus bolus, as in past years. We should be selling beef, Kobi beef, not feed grain; we should be selling J-cloths, not pulp; we should be selling steel, either in billets or in some other way, not iron ore and coking coal. What we need is a new commodities policy. We must look after the interests of the people of this country objectively.

In the past, Canadian producers have produced without any guarantee that they could sell their products. We have seen the price of wheat fall as low as 60 or 70 cents on the black market in western Canada, way below the cost of production. We have seen paper mills very close to going bankrupt because they could not sell their products. We have seen oil producers come begging on hands and knees to Ottawa for a chance to sell their oil on the Canadian market, and they have been turned aside because somewhere along the line some of us Canadians could buy the same product cheaper from another country. We have sold iron ore from British Columbia. We have raped whole mountains of ore. We have built railways and ports at government expense and sold that ore at prices below the cost of production. Indeed, at one time the financial statement of McIntyre Mines looked like a disaster. I don't blame producers today for saying: "When we had the product and wanted to sell it, you would not buy; now there is a world shortage we intend to get every penny these products will fetch. We have been diddled in the past, but now its our innings."



● (2020)

It is time we made a reanalysis of the nature of the economy of Canada in terms of commodities. It is time we looked at things not only from the producer's point of view and the consumer's point of view, but from the point of view of long-term national interest, and developed a fair commodities policy. I should like to spend a few minutes illustrating what I mean by a fair commodities policy as I see it in this country today.

First of all, this nation must analyze in terms of commodities what we can produce as a nation effectively and cheaply, or at least as cheaply as any other country in the world. Having made that analysis we must determine that those basic commodities which we can produce cheaply or as cheaply as anyone else in the world are Canadian commodities.

Secondly, we must determine that those Canadian commodities hold a monopoly position on the Canadian market, so that when there is a surplus of cherries in Oregon they cannot be dumped on the Toronto market, driving prices down and hurting our producers. Or if there happens to be an offhand surplus of beef on the Chicago market, we must see that they cannot dump it in Toronto, putting our livestock producers out of business. If there is a surplus of steel in Sweden, they cannot be permitted to dump it on the Canadian market and put our steel producers to the wall.

Let me talk about surpluses for a moment, since commodities represent a big part of the picture in respect of the economy of this world in 1974. I say to you, Sir, that if bread was 10 cents a loaf I doubt that you would eat one more slice than if it was a dollar a loaf. The truth of the matter is that price increases do not materially affect the demand for commodities until or unless there is a competitive product. The truth of the matter is that it takes an enormous increase in the price of commodities to reduce the demand and, in the converse situation, it takes an enormous decrease in the price to increase the demand.

It has been well said that less than a 1 per cent surplus in the production of copper on the world market will drive the price below the cost of production, whereas less than a 1 per cent surplus on the market will increase the price three or perhaps four times.

**Mr. Whicher:** The same applies to beef.

**Mr. Blenkarn:** The same applies to beef and to wheat and to barley and to corn and to potatoes. This basic