

Natural Resources

the world other sources of primary products, if our policy is too inflexible, large international companies, large international financial corporations and other countries will buy somewhere else. Admittedly, Canada needs foreign capital. I think that if our policy is not flexible enough, the same thing will happen with regard to those useful exchanges of capital with Canada.

I shall say in conclusion that this policy, which on the whole is a policy of restraint on the exports of our primary products, is a negative policy. In my opinion, Canada has followed in this field a positive policy to which we should continue to adhere. It is with a positive policy that we can develop our industrial methods as well as our engineering potential, while increasing the capital which will help us compete with foreign countries. That same policy will also make our development possible so that we might increase our delivery of finished products on foreign markets. That is what I call a positive policy.

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the member who just resumed his seat said, at the beginning of his remarks, that he approved the principle of Bill No. C-10 and then spoke at length about the economic consequences which this bill could have on our international trade, on Canada's exports.

The hon. member for Rimouski (Mr. LeBlanc) said that the present situation and the economy in general are getting the necessary attention. However, I wonder whether the creation of secondary industries in Canada would not help, for instance, to solve the difficult problem of unemployment. The recent fiscal legislation brought that home clearly; the number of unemployed will increase further.

If our primary products were processed by the secondary industry, it seems to me that would create jobs; it would also increase our exports considerably.

That is certainly a worthwhile bill because it would ask the government or the tariff board to consider our needs. First of all it wants our primary products to be used as much as possible by the creation of secondary industries, and thus to develop our potential to the full.

That is more or less an invitation to the companies, the investors to set up or create secondary industries in Canada.

The hon. member for Timiskaming (Mr. Peters) talks about the huge potential of northeastern Ontario, but I must tell him

that the same potential is still to be found in northwestern Quebec.

For instance, we have great quantities of iron in Canada. There is also iron in northern Ontario. These mines could produce enough to supply the steel mills in Ontario, Quebec or even in other Canadian provinces. But instead of using these primary products, of developing and processing them in Canada, we prefer to export them in other countries which make them into finished products before they return them to us.

For instance, I remember that during the 1956 provincial election, Mr. Speaker. I was a Liberal candidate and that Mr. Georges Lapalme was precisely talking of these primary products and of operating iron mines in northern Quebec, in the district of Ungava. He stated publicly then: When we are in office, the Iron Ore Company, Jules Timmins and others will come and beg us to renew their charter or their purchase contract for Ungava primary products. Mr. Lapalme said that in 1956.

• (5:40 p.m.)

Four years later, in 1960, Mr. Lesage—a friend of the member for Rimouski—and his government came to power and that was when the government renewed the sales contract with the United States or the Iron Ore Co. on the same terms, for a 40-year period. This agreement was signed in 1961 by the Liberal government of Quebec.

Our natural resources are squandered and then we are told that we must accept restrictions and legislation which make us weaker instead of making us grow and develop. The development of our natural resources demands first that we produce raw material; and if we export these primary products to other countries so that they can finish them before they send them back to us, we are bound to be the losers.

We could insure maximum processing of our primary products in order to export finished goods abroad. For instance, in respect to the forest industry, which was mentioned a few moments ago, we could quite easily export large quantities of our pulp and its by-products, our veneers and plywoods, and all kinds of manufactured articles to the United States. However, we still export these commodities as primary products, and in return we receive finished goods from the United States.

In respect to the steel industry, the situation is worse. We export our steel as raw material to the United States, where it is