

The export of surpluses, be it minerals, fuels, wheat or other trade commodities, brings back benefits to Canada which would have otherwise to be foregone. I have already mentioned some of the benefits which will directly flow from the recently approved export of natural gas. While there are trade commodities which respond more readily to demand and bring forth more production, fuels and minerals have to be explored for before becoming available. Exploration, then, is the key to increased supply, assuming of course that it is worth while to look for these resources in the first place. It appears to all of us that Canada is just such a place where it is worth while to look.

● (4:10 p.m.)

We have seen something of the problems of unsold surpluses in the mineral field, such as potash and uranium. Our producers, our miners, and all those dependent on them cannot live off these surpluses, however important and desirable the commodity itself is. I ask you to point to any example in the world where a surplus in any commodity has benefited the country unless it was sold. It is this fact of basic economics that must be kept in mind. It is the demand in the marketplace that makes for an economic value, results in a return, encourages more production and, in the case of the fuel and mineral industries, results in further exploration and, if the tempo of sale is right, results in even increased exploration and, in completing the economic cycle, in even greater surpluses.

Our present surpluses are mostly in Alberta and British Columbia. Increased exploration undoubtedly will reach more and more into our northland and encourage the development of the north. The Canadian vision has been increasingly to this frontier and successive governments have made it their policy to reach north. It is not so different to suggest "roads to resources" or a pipeline corridor which is a very real economic road to resources. In its totality, increased exploration will convert possibilities or hopes into a real inventory of resources. Without exploration we will never know, never have, never sell and hence never receive a benefit.

Some people have asked if we should not retain the surplus of natural gas in Canada and use it to attract industry. The answer to this is that such a tactic simply does not work. In industry other economic factors, such as proximity to markets, are more important than availability of low-cost energy. Examples of this are seen in decisions of industry to locate in Ontario rather than in Alberta where energy costs are much lower. I believe in Texas, Mr. Speaker, they offered free gas to potential industries but had no takers because this is a very minor factor in the economic location of industry.

Here again we see another of those double-barrelled conundrums which was put forth by the hon. member for Nanaimo-Cowichan-The Islands. He tells us on the one hand that we should withhold our energy resources and make the United States industries locate in Canada. Yet as leader of the NDP he deprecates the fact that there are too many United States industries located in Canada

The Address—Mr. Greene

at the present time. I wonder which goal he really wishes us to pursue. On the other hand, a gas production and transmission industry expanded to increasing needs of Canadians and export markets attracts supply and service industries, such as pipe mills, of considerable importance to the producing provinces and the provinces through which the transmission line passes.

I should like to answer one final criticism to the effect that Canada should use the leverage of its energy resources to gain access for our manufactured goods into the United States. I have already indicated how much leverage 1 per cent of its gas demands would have on United States policy. I would like to point out to the NDP leader that natural gas is not a raw product; it is a manufactured product. He did not appear to appreciate that fact. It is exported in useful form, having been manufactured to that form. I would also point out that Canada has been able to gain increasing access for Canadian manufactured goods into the United States market and I have every reason to believe that our position will continue to improve. I might point out our success at the Kennedy Round which opened up and considerably enhanced our opportunity in the United States market.

I would point to the automotive pact, which is certainly in the interest of Canada. Might I say, with the greatest respect to the leader of the NDP, that he would provide a great service to Canada and Canadian workers generally if he could persuade the bosses of those large American unions upon whose support his party so much depends to reduce their pressure on the United States government to resist the lowering of import barriers to Canadian manufactured goods in the interest, of course, of employment in the United States rather than employment in Canada. It is this tariff resistance which is the real barrier to opening the United States market to finished Canadian products. This is a barrier that is not likely to be repaired by any narrow use of our present export policies.

The concern has been expressed in some circles in western Canada that the criterion used by the board when rejecting the one application could result in a preferential position for those transmission companies already established to the point where there was concern lest a monopolistic situation develop which would be a detriment to Canadian producers. I do not believe that a careful reading of the board's judgment leads to this conclusion. With respect, I think the judgment should stand on the particular facts of the case and the particular applications involved. I do not for a moment believe that the judgment lends itself to the conclusion that those already in the field will have a continuing monopoly.

In concluding my remarks, Mr. Speaker, I would reiterate our contention that the sale of energy resources clearly proven by scientific methods to be surplus to Canadian needs makes good economic sense. It is a positive decision in Canada's national interest both present and future. It is a decision founded on economic realities and not on emotions or imagined fears. It is a decision geared, not to