

Mr. WISMER: Or in any other area. Also, we have a lot of iron at Port Arthur and gas at Calgary, yet no encouragement is given to transfer that gas to Port Arthur to be used in a steel mill.

Hon. Mr. EULER: A chemical industry has gone into Edmonton and is using the gas there.

Mr. WISMER: But they are not bringing the gas down to Port Arthur to hook up with the iron ore.

Hon. Mr. TURGEON: I should like to make one observation in connection with our exports of raw material. While I agree that up to the present moment there has been an over-export of raw material from Canada, speaking for the most part for Northern British Columbia, without the importation of raw material we could not have our aluminum plant.

Mr. WISMER: Correct.

Hon. Mr. TURGEON: The aluminum plant could not exist without the importation of bauxite, and it cannot be gotten anywhere in Canada.

Hon. Mr. EULER: Of course the country from which bauxite comes could argue in the same way, that the aluminum should be manufactured there.

Mr. WISMER: Yes; and if they had the water power they probably would argue that.

Hon. Mr. BURCHILL: I think you should develop a little further the practical workings of the suggested banking alliance. I do not quite follow how you think it could be developed.

Mr. WISMER: We have in mind that as a group of fourteen nations in NATO we are making some co-operative efforts for the defences of the North Atlantic community; we are taking the responsibility for it, and we are pooling our resources and directing them towards those defences. In the same way, we have felt that the economic resources of those countries could be martialed without interference with private business.

True, we have not thought through the complicated banking machinery; nevertheless, we feel that instead of waiting always for what will happen in Congress or in Whitehall as to what the group should do, encouragement should be given to the group to use the balances which it has from international trade in the best way to encourage trade between NATO countries. But whatever happens, it has to be a combined effort and has to be the full responsibility of the signatory countries.

A question was asked as to whether there would be a guarantee supporting the re-investment of these funds. We feel that is a technical problem. We are not asking private bankers within the countries of NATO to suddenly form a private alliance and do the job. We believe that since the private institutions do not seem to be able to cope with the problem, there should be some over-all way by which the signatory countries could through the international agency usefully invest funds which would create an incentive for the development of industry.

Hon. Mr. BURCHILL: Let us take Canada as an example. We will say Canada now has a surplus of imports over exports of \$500 million. That money is spread all over the country; it may be locked up in banks, it may be invested in brick and stone, or it may be in stocks and bonds. The government of Canada would have to say that that \$500 million was available for re-investment, and that since we are a partner in this banking alliance, we will deposit \$500 million. Is that your idea?

Mr. WISMER: That would be our idea. And, for instance, if the Massey-Harris, whose representative appeared before you today, wanted to use \$50 million on its own, that would leave only \$450 million for the government to direct.