

*Supply—Northern Affairs*

changed their economy, but we had nothing to put in its place.

I understand that some progress is being made through associations which are being set up to encourage secondary development of particular areas. In northern Ontario they have the northeastern council set up for this purpose. This is also true of northwestern Ontario. But to date the northeastern council, though supported by every municipality in the area, has failed to bring even one industry into the region, and I think this is an appeal which the federal and provincial governments should support.

Through reading and as a result of discussions with people who have studied the economies of other parts of the world, we find that a great deal of the failure to establish secondary industries hinges on the geographical situation in a particular country. Some countries, such as Scandinavia and northern Russia, are in the tree belt—in a similar weather belt to ourselves—and they have similar natural resources. Through the establishment of secondary industries in areas where natural resources were available they were able to overcome the problem of lack of population to consume the goods being produced by the secondary industries. The situation that obtained in the Scandinavian countries and in Russia is analogous to the situation that exists in northern Canada.

Those countries launched research programs. They looked at the potential wealth they had, not in terms of basic industries like mining, lumbering and pulpwood but from the point of view of unproductive industries. For instance, they considered trees that were of no use as pulpwood and mines producing products that were not in great demand. These conditions can be found in northern Ontario, and the problem could be met if we were to establish a trade route through Hudson bay and James bay out into the Atlantic ocean.

If this were done it would not be necessary for us to completely process products in major cities such as Toronto and other centres lying along the route of the St. Lawrence seaway. Instead we would be able to take advantage of the shorter route and send our goods from the northern area to Europe. The establishment of secondary industries in northern Ontario would serve to revitalize and expand the economy.

Initially this undertaking may not be financially sound, but neither is the subsidization of gold mines financially sound. I suggest this is a project that could be undertaken on a long-term basis, and it would be more advantageous to the Canadian people than is the present system.

The towns in northern Ontario are worthy of support. We have reached a stage in our development where centralization may prove to be disastrous to our nation in the event of nuclear warfare. The government is going to have to assist in the decentralization of industry, establishing factories in areas which are not now classed as areas of secondary industry. The route to which I have referred is not impossible of realization. It has been the dream of many farsighted people over the years. Premier Frost recently addressed a meeting which I attended and then left to visit the Moosonee area.

Within 50 or 60 miles of Moosonee the provincial government is working on a power development. There is probably more horsepower available in that area than in any other part of Ontario. Power is a major problem in southern Ontario because we have harnessed all the natural waterways that are available for the production of power. In northern Ontario there are many untapped sources of power which have not been taken advantage of as yet. In the same area there is a large supply of cheap coal. The provincial government has spent much money attempting to develop that coal in a form in which it would be competitive with coal from other areas, but the attempt was not successful. However, perhaps it could be developed for use by secondary industries in fulfilment of the vision about which the Prime Minister spoke so emphatically during the election.

There is salt water north of this area, and I can envisage ships sailing into and out of the ports of Churchill and Moosonee and other ports that may be established in that area, not only for three or four months of the year but on a year round basis. The natural advantages of having a port located in a bay rather than on the shore of the ocean are obvious to everyone. Such ports could be protected in time of war, and in this instance they could be protected along Hudson strait. The advantages of the type of development I am depicting would flow to all Canadians in the form of an enriched heritage, and would not necessarily alone provide an increased profit to existing companies in the area.

The type of project I have outlined will involve a number of important considerations which must be taken into account by the Minister of Northern Affairs and National Resources. One such consideration would be the establishment of an investment board. If we are to establish pilot plants, as was done in the Scandinavian countries and Russia in the initial development of secondary industries, money would have to be loaned by