

The Address—Mr. Green

that 50,000 tons are to be shipped to Wenatchee. Other deposits are at Zeballos on Vancouver island, on Texada island, which is near Powell River, and there is a very large deposit of iron ore in the tailings from the mill of the great Sullivan mine at Kimberley. I suggest to the minister that British Columbia could make low-grade steel. I do not think that that fact can be questioned.

I am told that the cost of setting up an electric furnace would be about \$2,500,000, and that it would produce 100 tons of pig iron a day or about 30,000 tons a year. Therefore a steel industry could be established on the west coast at the present time. Everybody is in favour of it. Labour is calling for it and so are the business interests. There is a market there for the product. There has been a huge industrial development in the west coast province. The area of the lower mainland of British Columbia is now the second largest industrial district in Canada, the first being the district between Montreal and Windsor.

The British Columbia government has on the statute books legislation under which it can pay \$3 a ton for pig iron produced from British Columbia ore up to a total of \$2,000,000. The field there is ready for the establishment of a steel industry which could serve British Columbia, Alberta and Saskatchewan with exports from the Pacific coast. It would cut down the demands for United States exchange. There is no reason why the people of western Canada should have to pay to have their steel hauled across Canada. I have no doubt that the railways and the eastern steel companies are not very keen to see a steel industry established on the coast; however, they should not be allowed to influence the decision.

There is also the fact that there is great value in scattering steel plants across the country. Just a week or so ago we had the report of a statement by Mr. H. J. Carmichael, chairman of the Canadian industrial defence board, to the effect that Canada was planning to put plants underground. If we can put plants underground we certainly are able to spread out key industries such as these steel plants.

In the United States they have quite large steel industries on the west coast. I hold in my hand an article published in the *Evening Citizen* of November 26, 1948. It shows a production in Washington state of 347,000 tons of raw steel a year; Oregon, 66,000; California, over 2,000,000; Utah, over 1,000,000, and Colorado over 1,000,000. So that in the United States they have spread out their steel industries to the west coast.

[Mr. Green.]

Leadership is needed by the government. It has steel control, and nothing can be done unless it gives the lead. I submit the west coast is entitled to a fair proportion of this \$50 million to be spent to increase production of basic steel. I ask for a statement from the Minister of Trade and Commerce (Mr. Howe) with regard to plans for the commencement of a steel industry on the west coast, and also with respect to a national steel policy.

For example, have we any commitments to the United States concerning iron ore to be mined in Ungava or Labrador, or is that ore to be smelted in Canada? The house should know what the government has in mind with respect to that ore. Then, how long does the government anticipate this heavy demand for steel will continue? Another question is as to whether the government intends to support other commodities necessary for the manufacture of steel—and I am referring to coal, limestone and other materials entering into the manufacture of this important product. Are they to be included in its plans for the increase in our production of basic steel?

Then, I suggest we are entitled to know the attitude of the present producers of steel. Apparently there have been doubts in the minds of some of them as to whether they will accept the government's plan. So much for steel.

My final important question is the position of the Canadian merchant marine and our shipbuilding industry. Mention was made of this yesterday and today by the hon. member for Cape Breton South (Mr. Gillis), who always voices words of wisdom on that subject—as he does on many other subjects.

May I point out that throughout Canadians have been a maritime race. That was true of the settlers on the St. Lawrence, and it has been true of the men who have sailed the great lakes for generations. It is true of course of the eastern maritime provinces, where at one time we had the finest shipbuilding industry in the world. In the old days of wooden ships they led the whole world not only in the building of ships but also in sailing them. The same is true of the west coast. Our shipping must always be of importance to us, not only for the reasons I have stated but also because of the large part played by export trade in our national life.

During the last war we developed great skill both on the seas and in the shipyards, with the result that at the end of the war we had considerable shipping. I have here a report of the Canadian maritime commission for the period ending March 31, 1948, which shows that by 1947 we had a merchant fleet of 153 ships totalling 983,000 gross tons; and