

The measure before us today is a temporary measure and we all recognize it to be such. The hon. member for Duvernay, however, has done a remarkably good service to us in calling attention to the reasons why these special imposts described by President Nixon may not be really temporary. If America is to maintain her military commitments in Europe and in Asia, if America is to maintain her technological commitments in the race to the moon, the development of computers and government subsidies of research in many centres, and if America is to maintain a firm commitment for the purchase of essential raw materials abroad, then America must take very drastic measures to re-establish a substantial export surplus on commodity account.

We should be under no illusions that this means jobs will be taken out of manufacturing industry in Canada and placed in manufacturing industry in the United States. We are simply too big a customer of the products of the United States for it to be otherwise. We are too important in their balance of payments for it to be otherwise. This is, I think, the greatest contribution the hon. member made in his speech yesterday, in calling attention to the need for solutions for long-term problems. Unfortunately, in his remarks concerning non-renewable resources he proposes the wrong solution.

Take, for example, the case of oil. The leader of the New Democratic Party would, according to his own words, place an export tax on oil and natural gas. What about development, for example, of the Alberta tar sands which contain resources, not of a billion barrels, but hundreds of billions of barrels, enough to supply this entire continent for a long time. One company today produces crude oil from these sands at great cost, and it is true to say without profit on its operation so far, but the exploitation of this tremendous resource is just on the verge. Are we to sit back and say, no, this cannot be exported, or do we want to build processing plants to handle the tar sands, to export the crude oil derived from them, to create employment, new communities, property taxes for municipalities and corporation taxes for the government of Canada according to appropriate tax laws?

What about the immense finds of natural gas on the remote Arctic islands? Do they sit for 50 or 100 years before the Canadian market creates a demand for them, if it ever does? Or do we establish a policy of setting national targets, of setting aside what we need for the foreseeable future for Canadian use, and exporting a moderate amount of anticipated surplus?

• (3:00 p.m.)

Broad markets and the extension of resources go hand in hand. If there is no incentive to spend millions of dollars to find out what exists in the Arctic we have no reasonable prospect of meeting the expenditures to discover what does exist there. In spite of the exports which have taken place to the United States, perhaps even because of it, our proven oil reserves are at the highest level in Canadian history. What about the iron ore of Labrador? Indeed, I have heard one or two members of the party on the other side say that they thought the development of these iron ore resources was a mistake.

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They have argued that the quality of life in new communities created is inferior and that the hardships people endure to live in them cannot be justified. Frankly, I would not presume to pass such a judgment.

Mr. Lundrigan: What a stupid statement. Where did you get that silly idea?

Mr. Francis: It was said to me by one hon. member of this House whom I shall not name. Those who would undertake to make such judgments assume unto themselves a wisdom which Solomon could not have possessed. It is clear that without export markets for iron ore, Labrador deposits would not have been developed. Without foreign capital, the immense sums of money required could not have been found. I contend that what we have to do is strike some balance. We cannot ignore our obligations to future generations. We cannot squander our resources recklessly. But let us ask a fundamental question: To what extent should we impoverish the present generation, deny it employment, the opportunity to create new communities and to expand Canada in the interests of preserving unknown benefits at a future date?

I have one last point. It seems to me that the hon. member for Duvernay took a very static view of resources. What is a resource today and commands a market may not be a resource tomorrow. The day an inexpensive process for desalination of sea water is developed, the demand to import fresh water from Canada will fall very appreciably.

In the Ottawa Valley at the present time there are literally hundreds of worked-out mines. As an amateur rock polisher it has been my habit to visit a number of these mines. I have done so and have learned something about them. But one thing stands out. There is no longer mica in the deposits, but if mica were there today there would be no market for it. There is no longer phosphate rock in the deposits, but if phosphate rock were still there it could not compete with the phosphate rock being marketed by many other countries. There is no longer graphite there, but if small graphite deposits existed it would not pay to work them by the hand methods that were used a century ago. They are not big enough to justify machinery being used. These deposits were worked and men and their families at that time earned their income from working them and exporting their products. But if we had had in existence a century ago a policy of preventing exports, these would be geological curiosities and little else today.

In today's world there is a rapid rate of technological change. New products are used, new technologies are used, substitutes are developed. I have not, and do not subscribe to the theory that you lock the key on the great storehouse of Canadian resources and let it sit there for generations to come. Surely the prudent thing is to develop and, if necessary, export a reasonable proportion of these resources which can be demonstrated to be surplus after our own requirements are met.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, it is indeed a great honour to be able to follow for 10