

*Exports of Primary Products*

the government will shortly introduce designed to stimulate the growth of manufacturing in Canada so that more and more raw materials can be processed and exported in a finished form. This is going to result in higher profits, more jobs, improved technology and, generally, a more buoyant and vigorous economy for Canadians. If the hon. member is saying that he is going to support those measures designed to give the manufacturing and processing industries of Canada a boost, then I take delight in the ray of light that has suddenly been cast upon him. That is welcome news from the hon. member for Timiskaming, which he has communicated to the House.

At the present time and probably in the immediate future, the rate of production of minerals in Canada is in excess of Canadian requirements. Those minerals which are produced in excess of our requirements are sold abroad as exports. The hon. member for Timiskaming would have us introduce legislation to limit or restrict that movement of minerals. Of course, I do not totally disagree with him, but I have a few reservations. I have reservations when I think of those communities now dependent on mining; I have reservations when I think of those small Northern Ontario communities which know that they are situated near vast mineral deposits and have looked forward to the day when the deposits will be developed and some benefits will accrue to them.

Rather than specifically restrict exports, I would favour policies which would permit a much greater use of those excess minerals which are now on hand. Two points should be borne in mind with respect to the sale of minerals abroad. First, the employment and revenue derived from the export of minerals is an important element in sustaining the present level of the Canadian economy. I am aware that this is an element often played down by spokesmen in Canada; nevertheless, it is an important element in sustaining our economy. Any precipitous action to reduce the export of minerals would indeed have an unfortunate effect on employment in this country, not only in the mining industry but in industries which supply materials, machinery and equipment for mining and sectors which process minerals into higher value products.

• (1730)

The second point concerns the price at which our minerals are sold. This price is determined by international market conditions and by competition. We do not decide what price we will receive; this is decided by the supply available on the international market. We always endeavour, of course, to get the best possible price for the minerals we export. It is clear that any immediate change in the level of export of minerals would produce undesirable results for Canada. It would certainly produce undesirable results in northern Ontario, an area which the hon. member for Timiskaming and I represent. It is equally clear that in the long term, the adequacy of supply for Canada's own requirements is a matter of the greatest importance. The hon. member for Timiskaming has recognized the potential dislocation which might be inherent in any immediate action to control the rate or price of minerals exported. This is evident from his inclusion of paragraph (c) of clause 3 of the proposed bill, where it is to be determined that—

[Mr. Penner.]

—upon the balance of convenience and necessity, the exportation is in the public interest.

He has, of course, quite properly taken that matter into account. In conclusion, Mr. Speaker, I commend the hon. member for introducing this bill. He has brought before us for debate a very legitimate concern. It is a concern not only of individual Canadians but, more specifically, of many developing regions of this country. There is no doubt about the concern expressed in the hon. member's bill, but in my view there is doubt with regard to the specifics of the *modus operandi* which he proposed. While it is right that we should debate the bill I do not think it is one we could properly vote for because of the many deficiencies in its details.

**Mr. Harvie Andre (Calgary Centre):** Mr. Speaker, I will begin where the hon. member for Thunder Bay (Mr. Penner) left off. I agree completely that this bill has a great many weaknesses and shortcomings that would preclude our giving it support, although there is no question of the validity of the motivation which caused the hon. member for Timiskaming (Mr. Peters) to introduce it.

Certainly, the question of our natural resources and the use we make of them is fundamental to the vitality of Canada now and in the future. We as parliamentarians must be vitally concerned about this question. We cannot, and should not, put up with a policy or procedure that is tantamount to direct exploitation with no consideration for maximizing the national good or for future prospects. It is questionable what the limits are, but there are limits to the natural resources that Canada has now, thank goodness, in apparently abundant supply. We must be aware of these limits.

The hon. member for Timiskaming quite accurately implied in his speech that the economy of Canada is in a sense distorted in structure from the economy of most other developed nations. We have in our economy a very large primary sector, to which a great deal of our wealth and our standard of living is attributable. We have a well developed, substantial tertiary sector of our economy, the service industries.

When it comes to the question of secondary industry, the hon. member is correct; we are in a pathetically weak situation. However, I differ radically from the hon. member for Timiskaming in how we reached this situation and what the cure is. The important question is, how can we develop a larger secondary or manufacturing component in our economy, since it is universally recognized that this is the component which will generate the jobs we need right now and will need more of in the future? Our apparently weak secondary manufacturing component was not caused by our export policies with regard to primary materials. There is absolutely no basis for assuming that if we cut off the export of raw materials, our secondary manufacturing industry would automatically grow. It is not true that a large primary industry is the main cause of a small secondary industry. The reason Canada has a small secondary component in its total economy is wholly and directly attributable to Canadian government policies. In this regard I point to members across the way.

For the past four years under the Trudeau government, the position of secondary manufacturing in Canada, in