

point out that the federal government does not own all our resources. In every instance relating to the large postwar expansion of the resource industries like the Alcan development in Kitimat, British Columbia, the oil and gas developments of Alberta and the Iron ore developments of Quebec and Labrador, ownership of the resources was vested in the provinces, and it is the provinces which have the responsibility of determining where ownership rests. I am amazed, Mr. Speaker, that those who charge C. D. Howe with giving away our resources choose to ignore this fact.

As an example the iron ore in Quebec and Labrador and the Steep Rock iron mines in northwestern Ontario are owned by the province of Quebec and Labrador and the province of Ontario, and the federal government had absolutely nothing to do with the arrangements for leasing the ore bodies. Of course it does have control of the export of these minerals. Through its fiscal policy the federal government probably did facilitate these developments once the provinces had granted mining leases and licences, but in almost every case the first initiative rested with the provinces.

Mr. Speaker, I understand that the government of Quebec is in great need of economic expansion and is strongly opposed to any measure which will have the effect of discouraging foreign investment. Our Prime Minister, in an interview several weeks ago, made the following statement in reply to a question whether he was against economic nationalism in Canada. He said:

Yes, I am against economic nationalism, if its effect is to make a country poor. I don't think you can become more independent as I think Harry Johnson has put it "by becoming poorer".

As I see it, our problem is not foreign investment but more investment. Mr. Speaker, may I call it one o'clock.

Mr. Speaker: It being one o'clock I do now leave the chair. The House will resume consideration of this item of business at 2 p.m.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Badanai: Mr. Speaker, just before one o'clock I was pointing out what the Prime Minister had said about economic nationalism, namely, if it has the effect of making the country poor, he is against economic nationalism. And so am I, Mr. Speaker. I agree with the Quebec Minister of Industry and Commerce who said that any federal government move to restrict the influx of United States or other foreign investment capital into Quebec must provide for the replacement of jobs which might be lost because of it. Foreign investment is necessary not only for Quebec but also for my own constituency, Fort William, for the creation of jobs.

• (1410)

Referring to the committee for an independent Canada, I should say that for the life of me I cannot swallow the idea that Canada is not independent, contrary to the opi-

nion expressed at this Thunder Bay meeting. The late Mr. Howe was more Canadian than those who were trying to impute to him an attitude of pro-Americanism for the purpose of serving their anti-Americanism. Mr. Howe was instrumental in urging great numbers of Canadians to get into production rather than have the country depend on importation of the numerous requirements for the war effort and for the reconstruction after the war.

In his great efforts, Mr. Howe was confronted with the same difficulties that have beset Canada from its very beginning, that is lack of venture capital and a conspicuous reluctance on the part of most Canadians with capital to get involved in projects entailing risks. This is the situation today. A shining example of this is the fact that American money came to save one of the oldest resorts in the province of Quebec, the Manor Richelieu at Murray Bay, noted as a convention centre. About a year ago its owner, owing to substantial losses in the operation of the great hotel, put it on the market. No Canadian bidders turned up. Canadian bankers were sceptical about the hotel's future. Then, a man from Cleveland stepped in. He rounded up some partners, formed a private company and kept the resort in operation. The new owners have ambitious plans for the old manor, including keeping the hotel open for a longer period each year. They deserve to make good, and good luck to them.

It will be a long time before we can achieve a position in which we will not need any foreign capital. Personally, I feel we will never be able to finance all the future industrial expansion we will require to maintain our standard of living without foreign investments. Our aim should be to retain the confidence of our foreign friends. Creation of a climate in this country that is hostile to the United States can only hurt us where we are vulnerable. Such an atmosphere could scare away investments, scare away tourists and create a resistance to Canadian goods.

Canadians are not stupid. I doubt whether they will allow themselves to be duped by the band that met in Thunder Bay, preaching more state intervention and socialism, without giving a clue as to how to replace foreign capital and foster continuous growth, without which there will be no hope of employing in Canada the expanding labour force which is increasing at a greater pace than in any other western nation. I am confident that this Parliament will continue to introduce measures which will have the effect of reducing unemployment in every region of Canada.

With regard to our relations with the United States, I wish to quote from an address Lord Thompson of Fleet delivered to the Empire Club of Toronto in which he referred to the various economies in the world. He said:

The Americans had been carrying vast international burdens, and in fact financing the world trade by their deficit.

He continued:

The monetary crisis could have been over sooner in my view, if the rest of us had shown more understanding. I would suggest that far from being hostile, or seeking retaliation, every Canadian should be eternally grateful and thankful for such a generous, friendly and enlightened neighbour as the United States.

Speaking of trade with the United States, about one quarter of the goods and services produced in Canada are exported, and almost 70 per cent of these exports go to the