

experiment, an economic guinea pig or is this a specific policy to be applied to the Yukon with no relevance to other parts of Canada? The government seems to be declaring some of its foreign ownership policy in Bill C-187. Is it the intention of the government to seek the reaction of the Canadian investor to the stand it has taken? The hon. member for Vegreville (Mr. Mazankowski) today asked the Minister of National Revenue (Mr. Gray) when he would be willing to make a categorical and definitive statement on Canadian ownership. The minister replied that he was not ready. He has not taken up any stance as yet.

Our party has suggested some guidelines to follow in trying to classify Canadian industry into areas where we would demand complete Canadian control, areas where there would be at least a major equity owned by the Canadian government and areas which would be completely free for any kind of investment from any part of the world. We do not know where this government stands on foreign ownership, and I am a little scared of placing complete restrictions on the flow of foreign capital into Canada. I must add that this is my own position and not the position of my party.

A recent book by Mr. J. J. Servan-Schriber, "The American Challenge", sums up the dilemma of the American investor regarding American control, the superiority of American technology and managerial skills on the one hand and the incapability of certain countries, such as Canada and many European nations, to finance their own projects and thereby retain a certain amount of independence. This is great political hay. People can say that we have to be careful not to have American domination and control. But these are not the things that worry me. What does worry me is that we have the resources which are being exported to other nations without due regard to further refining, further development and further processing within our own country. I am much more concerned that we should adopt policies in 1971 which would take effect in the next ten years to try and get maximum employment from our resources.

The history of Great Britain shows that their mercantile policy of the sixteenth and seventeenth centuries was to bring in raw materials from the colonies, such as Newfoundland, India, the great African nations and Canada, to refine these and resell the goods to the colonies at a substantial profit, thus ensuring employment in Great Britain. That policy may have been responsible for the several centuries of British economic domination of the world. Certainly, we have learned from that experience the need for Canada to adopt policies which will ensure a greater labour return from our resources.

My own native province of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick and the Gaspé area of Quebec were exporting almost every pound of fish to the American nation without being refined. All the processing of our marine resources was done by American labour. Economists have calculated that if we could adopt a proper tariff structure and proper trade relations with the United States regarding that product, we could obtain the maximum return from the processing and almost overcome all the economic

#### *Yukon Minerals Act*

disadvantages and the unemployment problems of the Atlantic region. That is a complicated question which time does not permit me to develop.

Another example is the minerals which go from Labrador to the United States market. They must be responsible for some of the boom experienced in the industrial centres of the United States. Timber would be another example. My friends from British Columbia probably know the correct technical terms relating to this subject. It is my understanding that we take raw logs, without processing them, and ship them in that state to the Japanese market. They might be logs that are five inches or five feet in diameter, as the case may be. I understand from my friends from British Columbia across the way that we may be able to do something about this. Nevertheless, at present we ship that kind of resource to the Japanese market. Also, coal from Alberta is shipped to Japan to keep the great industries of Japan going. I believe that an NDP member has said that for every job created in Canada by the export of these resources, 20 jobs are created in Japan. In other words, we are exporting coal worth one job and creating in Japan manufacturing worth 20 jobs. The Japanese send the finished products back to us. There are companies on the east coast of Canada involved in the manufacturing of paper which are required by the provincial government concerned to send logs abroad for processing. Certain Canadian companies are sending logs overseas to feed their paper mills in England. I am talking about the Bowater Company on west coast of Newfoundland, which is required to export a raw product.

• (5:10 p.m.)

Why has nobody launched an offensive to determine how best we can retain these resources in Canada so that we may obtain a better labour return from our resources and overcome unemployment? That concerns me much more than where the dollars come from for the development of these resources. We do not want to say to a company wishing to go to Schefferville, Whitehorse or Prince Rupert, "You cannot go there because you are financed by American capital." Nevertheless, we ought to lay down guidelines as to how such companies shall operate and how our resources shall be developed, as well as the extent to which resources shall be permitted to leave Canada in a raw state.

In any event, I have only scratched the surface of any arguments about resource development or foreign ownership. I sympathize with the position of the hon. member for Yukon (Mr. Nielsen). It seems that under Bill C-187 the Governor in Council—and it is the government's favourite pastime to enact legislation which says that the Governor in Council can do certain things—can lay down regulations the effect of which will be to scare away capital seeking to develop the mineral resources of our north. If the government is flying a kite, if it is bringing in a sort of trial foreign ownership policy, if, as suggested, the Yukon is being used as an economic guinea-pig, then I suggest that the bill had better be scrapped quickly or delayed. I do not know what tricks the hon. member for Yukon may have up his sleeve. In any event,