

The Address—Mr. Rodriguez

Toronto, supposedly to help develop northern Ontario, shows crass treatment of the situation. Indeed, the government's concluding observation in its interdepartmental report regarding DREE's performance in northern Ontario specifically states at page 10:

In light of these circumstances special efforts may be required to strengthen existing resource industries, encourage diversification where viable opportunities exist, and assist in the social adjustment process for those who choose to leave the communities.

The federal government ought to be looking at policies which would develop northern Ontario industrially. In this light a minerals policy which would provide for the establishment of a national minerals corporation, that would take into its portfolio the resources of Ontario, particularly northern Ontario, so that their development could take place for the benefit of our people, would be a great help. There are many reasons why our resources should be owned by the people. These include the creation of employment, the provision of revenue so that the quality of life can be improved for the people who live in the region where the resource is located and who help to mine and produce it and, thirdly, through public ownership of our resources we can maintain our economic independence.

In 1972 the Science Council of Canada released a number of reports dealing with innovations and the structure of Canadian industry. I quote from Study No. 23, which was one of the background studies for the council, as follows:

Canada's great area of strength lies in its natural resources. With competition as keen as it is in the world today, each country must seek to take maximum advantage of those areas in which it has some comparative advantage. This, however, must not be interpreted to mean that we should further accelerate our already precipitous rate of resource extraction. Unquestionably this latter approach, coupled with massive infusions of foreign capital, could keep our GNP rising for a number of years; but before the children of today could reach middle age most of the resources would be gone, leaving Canada with a resource-based economy and no resources.

Our resources must be used as a lever in the industrial development of the province and to add more value to mined resources before exporting them. There is no coincidence in the fact that our resources, by and large, are controlled by foreign corporations and that there is little product development in the province or indeed in the country. I quote further from the same Science Council report:

Alcan does a large part of its product development in the U.K., Inco does most of its product development in the U.S., Johns Manville... all of its asbestos development in the U.S., Andy and Harmon... silver product development in the U.S., and Engelhart... all research on platinum is performed in the U.S.

The Science Council continues:

Therefore, in order to succeed in building on our resources, it will be necessary to correct this very fundamental weakness. It will be essential for Canada to develop and exercise product engineering and design capability, and this at all levels, from end product to resource.

Mr. Deputy Speaker: Order. I hesitate to interrupt the hon. member, but his time has expired under our Standing Orders. However, if there is unanimous consent he may continue.

Some hon. Members: Agreed.

[Mr. Rodriguez.]

Mr. Rodriguez: The private sector has failed to do what is necessary, that which not only I but the Science Council of Canada believe is critical if we are to create employment in manufacturing industries in parts of the country like my own. As long as the corporations are allowed to exploit our resources with the goal of maximizing their profits, they will never voluntarily create a viable secondary industry in this province or in this country.

Secondly, I think the government ought to consider developing northern Ontario as one special area, providing infrastructure in all municipalities where development is needed. Thirdly, often when incentives are considered, we think of incentives to corporations and business. We never think of incentives to individuals except when we want them to move from one part of the country to another. I think incentives should be given to individuals living in northern Ontario, for example, through a graduated taxation system. Such graduated tax scales could include sales taxes, personal income tax, OHIP premiums, etc. In some areas of northern Ontario there should be no gasoline tax.

• (1610)

Combined with incentives to individuals there should be disincentives to the wealthier parts of the province and the country, for example, southern Ontario. Those disincentives could take the form of taxation on primary resource exports, higher freight rates on shipping raw material out of the north and very cheap rates on shipping the finished product to some market.

The idea of transportation, Mr. Speaker, leads me to my fourth point. There is no reason in the world why my part of the country, northern Ontario, should be the highest freight rate area in the country. Between Levis, Quebec, and Armstrong, northern Ontario, freight rates on the CNR are the highest in the country. On the provincial government's railway, the ONR, freight rates were cut by 18 per cent. This government ought to instruct the CNR that they should cut the freight rates on that line, and ship the finished products out of northern Ontario, by the same percentage. It is interesting to note that it is much cheaper to ship raw materials out of northern Ontario than it is to ship finished products. One example is iron ore pellets. It costs \$8.60 to ship a ton of iron ore pellets from Copper Cliff to Pittsburgh, Pennsylvania; but if you were to ship a ton of fertilizer to Toronto from Sudbury it would cost \$90.80 per ton. These discrepancies can only serve to lock us into being hewers of wood and drawers of water for time immemorial.

Mr. Speaker, I make a fifth proposal to the government of an over-all industrial strategy for northern Ontario. There is no over-all industrial strategy. It seems to be always on an ad hoc basis, with the north condemned forever to being the receptacle of the raw resources. My sixth proposal is that we need a comprehensive and cohesive transportation policy in northern Ontario. We cannot have Air Canada dropping out of service from Sudbury to Timmins, or Sudbury to North Bay, without replacing that service with some kind of comprehensive program where transportation for moving people around my part of the country would be enhanced and facilitated.

Mr. Speaker, lastly I propose to the government a permanent secretariat for development in northern Ontario.