

*Exports of Primary Products*

Northern Ontario and northern Quebec are rich in iron ore. We have there large low grade deposits that can be developed. Yet, all we do is to pelletize the product and ship it out of the area for further processing. We are shipping raw iron ore to Japan, to the United States and to Germany. It seems to me that we should limit the export of this product in that form and develop a secondary industry to process it.

One of our largest secondary industries is the petroleum industry. I think that the difficulties that are developing in the United States now have made us suddenly realize that petroleum will not last much longer if we continue to use it for fuel, and that we will have to develop other by-products instead of only burning it in the form of fuel. There are thousands and thousands of products made from petroleum, such as synthetic clothing, drugs and dyes. Yet, we are exporting large quantities of petroleum in its raw state to our neighbour to the south who is then developing thousands of by-products from it from aspirin to clothing. We are exporting the raw material and buying back the finished product.

A long time ago we passed legislation in the province of Ontario—and I understand this also took place in the province of Quebec—to prohibit the export of lumber. It is true that a small amount of raw wood is exported. These amounts have to be approved under the provincial legislation. What I am suggesting is that we do this with all our natural resources in Canada, and I am suggesting that we should develop our products in Canada before we allow them to be exported in the raw form. I am sure there are many members of the House who have not realized the potential which we have in Canada.

As I stated previously, we are going to find that instead of having surpluses of our agricultural products, there will be shortages. Probably the price of those commodities will rise to such an extent that it will be both economic and feasible to increase production on lands that have not yet been developed. This is all within the foreseeable future. This is also true of other commodities, and if we tie them in with our agricultural commodities we, the people of Canada, will receive a considerable bonus.

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When we in Northern Ontario adopted the concept that wood was not to be exported any longer as pulp in box cars, or as sawn logs, we developed in our area pulp and paper mills, plywood mills, and flake board mills. We are now developing secondary industries based on those mills that are manufacturing such commodities as kleenex, kotex, and plasticized fibre boards of various kinds. We have reached a stage of development in furniture making, but the amount of possible diversification in these fields has been touched on only slightly.

It was always maintained that there was a danger in producing manufactured products at a great distance from the market. I talked to one company manager the other day and I was surprised to find that he was using the flake board product produced by the mill in my community, putting a plasticized surface on it, and shipping that finished product to a large radio and electronic company in the city of New York. He has no difficulty in making a profit, even though he had to ship the product

over a great distance. In fact, he found he could not get enough of the fibre board from my area and had to import some from the Kapuskasing-Hearst area. In fact, he even has to buy carload lots of fibre board and ship them from Portland, Oregon, to Ontario.

We could undertake secondary manufacturing if we had a mind to do it. Many people say that if there is a buck to be made the entrepreneur will come into any area and make it. But that is not always true. Certainly, it was a lot cheaper to drive logs down the rivers to Ottawa, to the Gatineau, to the Eddy mill, than it was to build pulp and paper mills in Northern Ontario. I am sure we could have driven logs down from the head of the lakes to some American pulp and paper mill had we wished to do so, and it would have been a fairly cheap operation. But we decided to process the logs at home, and when we made that decision we created the basis for many of the towns and communities in that area. The finding of copper and zinc in the Timmins area offered the people there an opportunity of processing it in that area or of processing it somewhere else. I believe that the American headquarters of the company concerned decided to export the raw ore in concentrate form, and it was only after it was offered assistance by the federal government and threatened with legislation by the Ontario government, that the company decided secondary development of that product was possible in the Timmins area. Thus has taken place there since then.

We, in Canada, control the world's supply of nickel, yet Sudbury is almost totally dependent on the mining of that ore and on the primary refining of it into ingots which are then shipped all over the world. This is also true to a large extent of copper mining in Canada. We are exporting copper in a primarily refined state to most of the countries in the world. We are doing the same with cobalt and many other minerals. I think most hon. members will agree that if we are to end the concentration of secondary industry in urban communities, in probably less than 15 centres in Canada, we will have to spread secondary industry into other parts of the country. One of the best ways to do that would be to place a restriction on base material and raw products leaving their areas of production in an unfinished state.

In northern Ontario and northern Quebec we are producing fodder for mills in Montreal, for mills in Toronto, for mills in Germany, and for mills in the United States. The main employment is to be found in those mills. Take the example of copper coming from the refinery in Noranda. About 4,000 to 5,000 men are employed in the production of that copper, with only about a third of them working at the refinery. The copper goes to plants in Montreal, and I understand that about 10,000 people find employment in the further processing of that copper which comes from Noranda. I am sure that if 10,000 people living in the area around Noranda could get that employment it would result in improved conditions in that area. I also suggest that Montreal would be the better for it, as would other cities such as Toronto, because the mills there have difficulty in disposing of waste material. There is the problem of pollution. There are the problems of transportation for mill employees, of housing for mill employees, and all the other problems associated with

[Mr. Peters.]