

Foreign Control of Canadian Industries

problem has evolved from the fact that most of the resources of the province are being exported in the form of raw materials.

I am interested in this matter for exactly the same reason that many of the members from Quebec, particularly northern Quebec, should be interested in it. We in northern Ontario have an industry that according to the Dominion Bureau of Statistics figures was 53 per cent American-owned in 1959. This figure is now 52 per cent. I suppose the small decrease has come about because a number of mining companies in the area are no longer in existence. But this does not represent the situation in our area.

We heard several weeks ago a very pleasant announcement that the Texas Gulf Mining Company was going to build a smelter in Timmins. The members from northern Ontario received this information with a great deal of rejoicing because of the efforts that had been made to have the company build a smelter in that area. Why do we want a smelter in that area? We want it for the simple reason that in the Timmins area we are giving away an immense resource which will reap for the company untold millions of dollars from the sale of our ore.

I am one of those very naïve people who does not know the constitutional rights of the Indians, or the law. I do not know the rights of a number of other people who may be involved in this question and believe that the ore in those mines belongs to the Canadian people and ought to be used for their benefit. We are quite happy to have somebody come in, set up the mine and mine the ore; but we want our share of the benefits derived therefrom.

For the multi-million dollars worth of ore that will be taken out of the area, jobs have been provided for 300 or 400 people. Three hundred or 400 people being employed in this industry is a very good thing and we are happy they are employed. These people are receiving a very good wage. But because this industry is one that lends itself to highly industrialized, secondary development, it will provide 4,000 or 5,000 jobs before the material is processed, to any great degree.

We suggest that the industry should be instructed by the government of Canada, the government of the province of Ontario and every other Canadian who is interested in the problem, to carry out the processing of this resource as much as possible in the area. What is the situation? The federal government had put up \$6.5 million to help build

that development. But really this is not very much money, because the people of Ontario will give back to that company by way of tax concessions over the next seven or eight years, an estimated \$800 million. Suppose it were to provide 600 jobs? Why not look at it practically? Why not divide the \$800 million plus the \$6.5 million among the people in the area? I am sure they would be able to do something with it, if it were provided as a capital sum. In any event, we are making a major contribution and it has certainly not been in the interest of the community to wait so long.

● (8:50 p.m.)

I take another example. In my area there are two iron mines. Incidentally, I am shocked when I find that whether management is United States or Canadian does not seem to make a lot of difference. In this case, one mine is owned by a Canadian company with a great deal of support from outside capital and the other is totally owned by a United States concern; it is controlled entirely from Detroit.

As a government we have provided considerable assistance to this company to enable it to operate this iron ore project. The economical situation dictated that there should be a pelletizing plant. The Ontario government made available a subsidy applicable to the transport of the ore which allowed it to be hauled by rail to Pittsburgh, probably the longest iron ore haul in the world. This was arranged by the mine, which calculates its haul value to be \$16.50 per ton. This is not what the ore is worth nor is it necessarily the market value, or the cost of production. But the company owns the mine and has decided how much it shall be worth. In short, we have provided many concessions to this industry and we have obtained out of it jobs for probably 400 people in the next 25 years. Suppose we were to set up an iron ore complex for ourselves in northern Ontario, or decide there should be a major steel works in northern Ontario as part of this general development program. The mines there now are only a beginning; there is a considerable reserve of ore in this region. A smelting complex in the area would handle the ore and provide jobs for a hundred years. It would, in truth, be a growth centre.

The funds necessary for such a development will never come from the Pittsburgh interests. They have a captive mine which will provide thousands of jobs in the Pittsburgh area on the basis of our ore. What do