

products. We ship out our raw materials such as lumber, iron ore, lead, copper, zinc, aluminum and pulp to be processed in other countries and then sold back to us in the form of manufactured goods. The effect of this is twofold. First of all, we are exporting jobs. The extraction industries have a high capital content but a low labour content. These industries are highly automated and are becoming more so. They will not provide enough jobs for the thousands of young Canadians with academic and technical training who are entering the labour market each year.

The second effect of our structural imbalance is the price differential between raw materials and finished products. Since the end of World War II the price of manufactured goods has risen much more sharply than the price of primary products. This explains the widening gap between the "have" and "have not" nations. Primary producing nations like Canada find themselves having to export more and more raw materials in order to pay for the manufactured goods they import. It follows that if Canada is to have full employment and a high level of national income, we must process more of our raw materials into finished or semi-finished goods rather than being content to be a nation composed of "hewers of wood and drawers of water".

The effect is that Canada is rapidly becoming an economic hinterland for the American industrial complex. According to the figures given in the House by the Minister of Industry, Trade and Commerce (Mr. Pepin), United States corporations have secured almost complete control of our extraction industries. At the present time they own and control 82.6 per cent of the oil and gas-wells industry, 84.9 per cent of primary metal smelting and refining and 99.9 per cent of oil refining.

**Mr. Pepin:** You were Premier of Saskatchewan.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** I will discuss the province of Saskatchewan any time my hon. friend wishes. It is the only province in Canada that took its proven oil reserves and turned them over to the co-operatives so that the people could own the source of their own oil supply.

**Some hon. Members:** Hear, hear!

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** That is something no Liberal government in Canada has ever done. If every other government in Canada had followed the same course, we would not now be completely at the mercy of the giant oil corporations of the United States. It should be remembered that these United States corporations did not invest in Canada as an act of Christian charity, but rather to assure a guaranteed supply of raw materials to feed the voracious appetite of American industry. I do not blame the Americans for seeking to guarantee their sources of supply, but I am concerned about what it is doing to Canada. These extraction industries provide less jobs per dollar invested and pay less taxes per dollar earned. The result is that we have to sell more and more raw materials to buy back the finished products. The government glories in the abundance of our exports, but the unbalanced structure of our economy

*The Address—Mr. T. C. Douglas*

has left half a million Canadians without jobs and five million Canadians living on or below the poverty line.

Canadians will have to decide whether Canada is to be relegated to the same role as some of the Latin-American countries which exist almost solely as a source of raw material for the United States. If we accept this role we are locking Canada into the U.S. economy, and by doing so we condemn this country to permanent unemployment and continuing inflation. Having acquired control of our raw materials, the United States industrial complex now wants the energy resources with which to convert our raw materials into finished products which they can sell back to us at ever higher prices. Canada's energy policy is like "the peace of the Lord which passeth all understanding."

• (3:10 p.m.)

We have vast quantities of coal, yet Canada is an importer of coal. We have huge reserves of oil, yet Canada is a net importer of oil. The Prime Minister (Mr. Trudeau) has uttered brave words about keeping Canadian ownership of the uranium industry at 40 per cent, but the recent decision of Gulf Minerals to develop reserves in Saskatchewan is making a mockery of his words. In the past two years spokesmen for the United States government have been using the bait of increased access to the U.S. market for Canadian oil as a means of getting their hands on two commodities which they desperately need—natural gas and water. They have won the first battle and I predict that victory in the second will not be long in coming. Anyone who is led astray by the assurances of the Minister of Energy, Mines and Resources (Mr. Greene) need only remember similar assurances which were given by the Liberal party and the Liberal government in 1963 before reversing itself to conclude the Columbia River agreement, which gave one of the largest rivers in Canada over to the complete control of vested interests in the United States.

As I said, the government has lost the first battle because it has approved the export of 6.3 trillion cubic feet of natural gas to the United States. I point out that this action was taken without any reference to Parliament and in the absence of any statement by the government regarding its long-term energy policy. The government has no coherent policy setting forth Canada's long-term energy needs, nor has it made clear how our vast energy resources are to be utilized for the benefit of the people of Canada. Instead, we are allowing our energy resources to be picked off one by one, with the Americans taking what they need while at the same time restricting their markets where it is to their advantage to do so. We of the NDP believe that the government's decision to allow the export of 6.3 trillion cubic feet of gas to the United States is contrary to the best interests of the Canadian people.

**Some hon. Members:** Hear, hear!

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** In the first place, it will increase the price to the Canadian consumer. Indeed, it has already had that effect in anticipation of the sale being approved. Prices in Canada will follow those on the American market. Moreover, if we