

*Natural Resources—Development*

Then we come to iron ore. We have huge deposits in the Quebec-Labrador area which have been opened within the last few years. I believe over 12 million tons were shipped away from Sept Iles during 1956, of which about 10 million tons went to the United States in the raw form. It was just dug out by steam shovels, put on freight cars and then dumped into the ships. It was not fabricated at all. We realize that there must be a lot of iron ore shipped out that way, but why do the government not make some attempt to have that iron ore at least partially fabricated in this country? They have not taken one step in that direction.

The former director of scientific services in the Department of Mines and Technical Surveys had something to say about that. I refer to Dr. G. S. Hume. Back in March of 1953, in the course of a speech, he had this to say:

It is suggested as not beyond the possibilities of our research scientists to find ways and means in Canada to utilize electric power and iron ore occurring together in the same area to at least effect a partial processing which would be of immense benefit to this country. The Ontario research foundation has been doing excellent work on the study of iron and our mines branch at Ottawa has a number of scientists well versed in the technology of treatment of all kinds of ores. Thus well directed efforts might accomplish much toward reducing our iron ore to the metal before shipment outside Canada . . .

Another example is found in British Columbia. Some of us have been pointing out to the Minister of Trade and Commerce for several years that iron ore is not found there in large quantities, as yet in any event, yet there have been shipments of several million tons in the raw state to Japan. This policy makes it that much more difficult to establish a steel industry on the west coast. The minister has replied that he could not do anything about that.

If the government had wished to do so it could have taken steps to control the export of that iron ore. Now it looks as though, with the help of the Japanese, something is going to be done. The Japanese are saying, why don't you turn that ore into pig iron? Japan wants pig iron now instead of the iron ore, but there has been no move by this government to further the processing of that ore in Canada. Zinc and lead in New Brunswick are another example. There we have large deposits of tremendous importance to that province, yet it looks as though all that ore will be merely dug up and then shipped away to the United States to be smelted.

**Mr. Winters:** Not as ore.

**Mr. Green:** It certainly will not be smelted in New Brunswick unless this government wakes up and does something to assist the

province of New Brunswick in getting the necessary power. If the government would enter into a joint investment program with New Brunswick for the development of power on the Saint John river, I believe it would be possible to establish a smelter in that province to smelt those ores.

I really do not see, Mr. Speaker, how anyone can quarrel with a policy which insists that every effort must be made to manufacture our own raw materials in Canada. The Canadian Chamber of Commerce dealt with that in their policy declarations for 1956-57. Let me read:

The Canadian Chamber of Commerce believes that such policies must recognize

(1) The primary interest of Canadians in the development of Canadian natural resources.

(2) That the greater extent to which these resources are refined or converted within the country, the greater the return to the Canadian economy.

The Gordon report made recommendations with that in mind. I shall not read again the paragraph on page 48 of the report, which was read by the Leader of the Opposition, but it goes so far as to suggest that the government might institute a system of export permits for the export of certain raw materials from Canada, making it a condition of the permit that there would be certain processing done within our country. That shows how important this problem is to Canada today, not 50 years from now; yet the government does not show the slightest interest in adopting a policy of that kind.

Then we believe that a national development policy must correct the serious unfavourable trade balance. You know, Mr. Speaker, the unfavourable trade balance in 1956 was really something. The over-all trade deficit with all nations amounted to \$848,800,000. The highest it had ever been before in the history of the country was \$361,100,000 in 1955. In 1956 it was more than double that amount. With the United States the unfavourable trade balance amounted to over \$100 million a month. The total was \$1,290,100,000. When the Minister of Trade and Commerce was questioned about it last week he had this to say, as reported at page 967 of *Hansard*:

There is an over-all trade deficit which is due wholly to the present abnormal rate of capital investment . . .

That was just an evasion, just a case of trying to cover up the situation with a statement so far removed from the actual facts that it really does not merit consideration. Last year when the minister was criticized for an unfavourable trade balance with the United States he made the excuse—and I am referring to page 5797 of *Hansard*—that oh, we were getting in a lot of material and