

When this bill reaches the committee stage we should take a serious look at amending it so as to give the government the power to direct where the manufacturing, processing and upgrading should take place. There is no reason why the petrochemical industry should not be located in the prairies, primarily in Alberta but also in Saskatchewan. That is where the raw material is. Why can there not be more upgrading of the raw material in the prairies? Why can there not be more processing of nickel in the Sudbury area? Why does Sudbury have to be an exporter of nickel, the hinterland of the south or of American cities? We should amend this bill to give the government power to direct that processing be done in the region where the material is produced in its raw form.

In looking at the development of resources in this country we should also consider the establishment of a two price system for many of the basic resources we have in Canada. I do not see any reason why some artificially high world prices should influence the price of our commodities. We in Canada are very fortunate to possess most resources. We have iron ore, nickel, copper, potash, hydro electric power and many other resources which are necessary for any nation. Indeed, we have almost any resource that one can think of. The only thing we do not have is a tropical climate and some of the tropical foods that are produced in such a climate.

Since we have these resources, and since abroad such resources as oil are sold at artificially high prices, we should consider a two price system in Canada. If we had a two price system for basic commodities such as oil, lumber, iron ore, lead or zinc—we have it for copper, wheat and oil—we would make our industries more competitive because we could sell their products at a lower price than can our competitors, such as Japan, western Europe and the United States. We would also be providing more jobs since manufacturing is labour intensive. We would help fight inflation because we would be importing less inflation from abroad. We would have a better grasp of our economy and we would be able to do more regional planning.

Those are some of the advantages which a two price system for basic commodities would provide. This has to go hand in hand with some export controls and with greater public investment in some of the resources of this country. I think that could be done. A national development policy is something that Canada needs desperately.

In the *Toronto Star* issue of yesterday the lead editorial came out in favour of a two price system for some of the basic commodities to which I have referred. I should like to quote four of five short paragraphs from that editorial. It reads:

Canada has one of the world's largest deposits of potash and is self sufficient in oil, two of the basic ingredients in fertilizer. But because of shortages in the U.S., Canadians will pay 20 per cent more to make their flowers and vegetables grow this year.

Canada is one of the world's great growers of evergreen trees. Because of world demand, primarily in Japan, the home handyman has to pay 20 per cent more for a sheet of plywood made from them than he did last year.

We produce far more white beans than we consume. But because anchovies disappeared for two years from the waters off Peru, an acute shortage of protein material developed. Canada's white beans, a protein substitute shot from \$11 to \$60 a hundredweight last year.

### *Export and Import Permits*

All these are instances where developments outside Canada caused large price increases for goods that are abundant within our borders.

More and more, Canadians wonder whether there isn't some way to escape this kind of externally produced inflation, by having one price for Canadians and a higher price for exports.

I think that the view expressed in the editorial of the *Toronto Star* is a valid one. We produce an abundance of some commodities for which world prices are artificially high. The Minister of Finance (Mr. Turner) says that we would be unfair to our trading partners and would be inviting retaliation if we had a two price system. I do not buy that argument because I say that we would be selling those commodities at world prices; we would not try to get a higher price than other producers in the international market. All we would be doing is developing an industrial strategy for Canada, an economic strategy and a development plan that would help control inflation, produce more jobs and make our industries more competitive. These are important considerations in discussing the bill before us.

One last thing that I want to mention is that in upgrading our resources in Canada we should take a look at our taxation system which favours the development of capital intensive extractive industries over the development of processing and manufacturing. I will give the House one or two examples. I have here some corporation taxation statistics, series 1965-70, which are very revealing about the gifts and handouts made to the extractive industries. The profits of the metal mining industry in that six year period before taxes amounted to \$3.165 million. On that income before taxes they paid federal and provincial corporation taxes on only 10.8 per cent. I think that is grossly unfair. Certainly it would be grossly unwise to permit this to continue in planning and developing a rational economy in this country. During the same period of time, the gas and oil companies paid taxes on only about 5.7 per cent of their profits while the ordinary Canadian, the retail merchant, the farmer and others, paid tax on everything they earned.

● (2050)

In closing, I support the bill before us, but I strongly suggest we cannot look at it in isolation. It should be part of an over-all development plan for this country, an industrial economic strategy that would make this country the greatest by far of any nation in the world.

[Translation]

**Mr. Henry Latulippe (Compton):** Mr. Speaker, I am pleased to say a few words on Bill C-5. This bill, as far as we can see, is quite important.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System—I am mistaken, Mr. Speaker, it is rather Bill C-4, an Act to amend the Export and Import Permits Act. I quote:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. Section 3 of the Export and Import Permits Act is amended by adding thereto, immediately after paragraph (a) thereof, the following paragraphs:

Mr. Speaker, the regulations on imports affect a great number of citizens, especially Canadians and we would like to export as much as we can, but we are now realizing