

*Natural Resources—Development*

It may not be amiss, sir, to say a word at the outset about the function of government in relation to the development of resources. In the last analysis, the resources of this country will be developed by free men and women. They will not be developed by governments; they will be developed by individual Canadians exercising their initiative, enterprise and skill. But we are dealing here with a very important sphere of government responsibility in facilitating the exercise by individuals of their initiative and enterprise. It is the duty of government to create in general an economic climate within which the enterprise and skill of individuals can flourish.

Governments, this government in particular, exercise a very direct effect upon the economy of this country in many quarters by the vast purchases they make and the contracts they award. And then, within the proper sphere of government there is that wide range of construction projects which are required in the public interest and which do assist in the development of the resources at the hands of individuals. Then, as we have been reminded in the course of this debate, first by the Leader of the Opposition and then by the Minister of Northern Affairs and National Resources this afternoon, there is a very large territory in the north directly interested and involved in any program for the development of natural resources, which does not lie within the boundaries of any of the provinces.

This, then, leads me to say a word about the respective functions of federal and provincial governments. Under the constitution the exclusive jurisdiction over the development of resources resides in the provinces, their legislatures and governments; but within the sphere of federal jurisdiction policy at the national level can have a very broad, direct and far-reaching effect upon the success of the provincial governments in assisting individuals in the development of resources. The federal government has exclusive responsibility over international and interprovincial trade and commerce. Fiscal and monetary policies at the national level have, I suppose, as direct an effect today upon the course of the development of natural resources as any single facet of policy within the whole sphere of government, whether national or provincial.

And, sir, when the Social Credit introduced this afternoon an amendment designed to suggest that the kind of national development policy which is set forth in this motion should be carried on in association or in co-operation with the provinces we say at once, sir, that is the only basis on which a sound national policy for the development

[Mr. Fleming.]

of resources could be carried on. It was implicit in the amendment in the first place. It was stated repeatedly by my leader in his speech yesterday and is to be found, notwithstanding what the Minister of Northern Affairs and National Resources had to say this afternoon, in explicit terms on pages 1158 and 1159 of *Hansard*. The minister evidently has not read those passages with the care he should have.

Therefore, as far as the amendment is concerned, it is completely in harmony with the motion. If the Social Credit members feel that it makes the motion clearer to have these words in, then certainly there is on the part of the official opposition no difficulty at all in accepting the amendment.

**Mr. Pickersgill:** The marriage is complete.

**Mr. Fleming:** No, the marriage is not complete. If there is any inference to be drawn from association of parties on a particular motion I do not think the minister will get very far beyond the bounds of wedlock in the light of the experience of his party with the same Social Credit party last summer in a certain pipe-line debate.

**Mr. Pickersgill:** What about your own?

**Mr. Fleming:** On that occasion I think the wedding was observed on 69 out of 70 occasions in the space of three weeks.

**Mr. Pickersgill:** What about your own flirtation?

**Mr. Fleming:** I am incapable of flirtation, just as the minister is incapable of anything but self-satisfaction and conceit.

Now, sir, I was referring to the scope and effect of federal fiscal and monetary policies. We have all too much evidence today of the effect of federal fiscal and monetary policy upon the efforts of the provinces to proceed with the development of resources within their proper sphere. Indeed, against no section of the whole economy of Canada have the harmful effects of the present fiscal and monetary policies of the government been exerted more than against the provinces in the form of increased costs of borrowing. The same is true of the way in which these policies are hurting the municipalities. These policies are greatly increasing the cost of provincial and municipal financing in this country.

I emphasize that the kind of development we are urging here is for the benefit of all parts of Canada. Sir, the federal government's fiscal and monetary policies today, in the form of high interest rates and restrictions upon borrowing, are hurting some sections of this country very seriously indeed. Look at