

So we find that employment was at a very high level, almost 100 per cent in Ontario and Quebec, while it was not so good in the Maritimes. The Boards of Trade in the Maritimes were stressing at that time, and have continued to do so, that one of the causes of unemployment in the Maritimes has been the lack of decentralization. Those Boards of Trade have gone on record as favouring decentralization in the purchasing of materials, supplies and equipment for government requirements, for both ordinary and defence purposes. They are also pressing for decentralization in the placing of production facilities, and for consideration of the maritime area should plants be built by the government.

During World War II the tremendous acceleration in industrial development passed by this part of Canada, and the small expansion which took place in this region was not of a permanent nature. The need for the most economical procurement of government supplies is appreciated; yet it is felt that due regard should be had for the long-range economic costs which result from an unbalanced concentration of industry, when facilities and labour in other areas are permitted to languish.

The honourable senator from Newfoundland (Hon. Mr. Pratt) referred the other day to the development of iron ore in Quebec and Labrador. I am sure we are all very pleased to learn about it. Personally I believe that this and the huge development along the St. Lawrence Seaway project should be kept under constant study to ascertain the benefits which might accrue to the Atlantic region as well as to the two central Canadian provinces and industrial points of the central United States. The government's leaders would be well advised to remember that the benefits need not be confined to the central part of the North American continent. These two big undertakings could, and should, be of profound importance to the economic history of Canada.

In that connection I would like to refer to the brief presented by a labour organization to the Premier of Nova Scotia last Friday. The brief set out what this labour organization considered should be done as regards steel expansion, and it impressed me very much when I read it. We all recognize the fact that there is a steel shortage, and that there must be an immediate and substantial increase in the production of steel in order to carry out the program which the Minister of Trade and Commerce and the Minister of National Defence have outlined to the Canadian people. This being so, steps should be taken to expand steel production. The Nova Scotia steel industry is situated in the

very centre of the raw material supplies; it is at tidewater, and has the necessary rail facilities. Therefore it is the logical place for expansion. It is interesting to observe that despite the location of the Nova Scotia steel plant, last year the production amounted to only 685,478 tons, whereas our friends in Ontario were able to show a production of 2,526,920 tons. This does not seem to be logical and reasonable to those interested in the general welfare of the Maritimes. In its brief, the labour organization asked the government to go into this matter fully.

Honourable senators, at this stage I think I should compliment the Honourable Minister of National Defence and his staff on placing orders, particularly for shipbuilding, in the province of Nova Scotia and at other points in the Maritimes. I should also like to compliment the Minister of Trade and Commerce, who I believe is sincere in his willingness to see that the things are done which I am stressing today. To help make his task easier I am placing these facts on record, so that they may be studied. I hope that relief and help will be forthcoming and that greater prosperity will come to the Maritimes.

At this time I wish to quote part of a brief presented by an outstanding Canadian, Mr. N. A. Hesler, director of the Bank of Canada. He presented this brief at the annual meeting of the Maritime Board of Trade at Moncton, New Brunswick, on November the 9th, 1950. Mr. Hesler has had considerable experience in war production in both World Wars, and I think his words are well worth considering. He states:

Having been engaged in the production of defence materials in the first World War, as well as the second World War, I have been in a position to appreciate the marked changes in the requirements, between the first World War and the Second World War. And now, the atomic bomb, guided missiles, and many other developments since the last war, make it imperative that we give constant attention to the changes in the requirements and so organize our efforts to get the maximum results, and decentralize our industries to the greatest possible extent, regardless of the cost involved in its initial construction and operation, because the destruction of one large plant would not only mean a big loss in money but more particularly an interruption in the flow of materials required in the war effort.

In my opinion that is sound reasoning, and I think the leader of the government (Hon. Mr. Robertson) would be well advised to think this over and carry its message to his colleagues in the Cabinet in the hope of bringing about what is suggested in this brief. I think I should read from another paragraph:

I should imagine that as a result of their experience during the last war the government would appreciate the necessity of decentralizing industry, because many large manufacturers have appreciated the value of this since and before World War II.