

Atlantic Development Board

citizens themselves. I believe the government should be concerned with the public responsibility of the government.

If it could do this, then I could see some hope of the Atlantic area becoming the emerging area of Canada. As I have just quoted from the *Atlantic Advocate*, we find that for a number of years both the Liberal and the Conservative governments have spent something like \$150 million to \$200 million per year in welfare. At the end of each year that sum has disappeared and the following year the same amount of money has to be supplied again just to keep people living and the area alive. If this amount of money had been spent out of public capital to set the climate and conditions for private industry in that area, we would not have to be paying this amount of welfare subsidies today. The figure of \$1 billion for the next 10 years has been mentioned. That is \$100 million a year. If \$200 million, which is not more than we are spending at the present time, could be supplied in the right way for the next five years, I am convinced that the Atlantic area would not need any more welfare or subsidizing, as it would be able to carry itself in a respectable way, as should any individual, group of individuals or any area of the country should. That is why I believe it is very important that we look at our true responsibilities, rather than to confuse the issue and think that we are helping by actually bringing about a policy which is just encouraging a continuation of that which we agree we do not want and is not correct.

I am convinced that one of the greatest needs in the area is the public aspect of the economy. I should like to quote again from the *Atlantic Advocate* of January, 1962. I believe these words are well taken, and I agree with them:

Industry can be attracted to the region if certain prerequisites are provided. The Chignecto canal and the tidal power development of Chignecto bay are two public works projects that are essential prerequisites to industrial development. These projects could transform transportation through the development of coastal shipping and provide abundant electric power at a cost competitive with any now prevailing in any area of Canada. These assets, together with our winter ports, would make the region an ideal production area for processing not only our own plentiful resources but imported commodities also for re-export to world markets.

The cost of the capital investment in these public works projects bears no relation to any need for retrenchment resulting from Canada's present foreign exchange difficulties. Investment in capital projects which will themselves be productive has no relation or likeness to spending for non-productive purposes. It is not inflationary. Anyway, there is no inflation in the maritimes; there is every evidence of deflation. What is required is a positive program of self-liquidating public works projects and a capital budget financed out of loans.

[Mr. Thompson.]

I could not have stated the needs of this area better if I had tried to do it myself. Here again is evidence that there has been tremendous thought and research put into the very thing which it has been stated is the function of this board.

I suggest to the government that if it really wants to do something for the maritimes and do it in a way which would permanently correct the problems that area faces, then instead of providing welfare capital they should set up a municipal development bank which could supply the public capital needed for public projects, remembering that these public projects are non-profit-making and self-liquidating. They are there to render a service, to set the stage for basic and secondary industries conducted on a private basis. Supposing that we did have a municipal development bank set up on such a basis, providing not \$100 million a year but \$200 million a year, which as I have said is no more than the subsidies now being paid to the area. Supposing it was to continue this program for five years. This capital would develop the Chignecto canal, if the Chignecto canal is scientifically and technically feasible, as I believe it is. A Montreal turnpike could be constructed so as to facilitate communications with upper Canada. Yes, power projects could be facilitated likewise in the area. I am thinking of the upper Saint John river and also the Fundy tidal system, which is also centred on the Chignecto canal. If research could also be financed in this way so as to conduct the necessary studies as to how the various resources which are there now could be used in a more efficient way, then our markets could be expanded.

For example, I often think of the coal industry about which we have heard so much these last few days in this chamber. The coal research board set up in the province of Alberta has done more to revive the coal industry in Alberta than anything else, so much so that the value of the coal industry in the province last year exceeded anything the industry had produced since immediately following the war. This is the kind of assistance which will help the coal industry. I am sure that when the minister speaks of the need for a power grid, he will realize the assistance required for making this possible, in order to encourage secondary industry is one of the legitimate ways that this kind of capital could positively contribute.

We have heard a great deal during the session about the trans-Canada highway, and we speak of it as though it were finished. In the maritimes it is not finished; a tremendous amount of work has yet to be done. Here is a project which needs to be finished immediately, and finished completely. Again