

The Budget—Mr. Gillis

province and province, to which I think we are entitled, I am particularly interested in it—

Mr. Carroll: May I ask the hon. member how he is going to do that decentralizing?

Mr. Gillis: That is a simple question. You are starting now on a program that is going to cost the taxpayers of Canada a great deal of money.

Mr. Carroll: I am not talking about war industries.

Mr. Gillis: I am. The hon. member talked about it a moment ago. That is why I am talking about it. I intended to talk about the sales tax and so forth. The federal government is now embarking on a program that is going to cost the taxpayers of Canada in the neighbourhood of \$5 billion over the next three years. May I emphasize the fact that that is \$5 billion of money belonging to the taxpayers of this country. That money is going to be spent for the purpose of creating a great deal of new industry for war purposes. Instead of further loading up the province of Quebec and the province of Ontario, where you have approximately 82 per cent of the productive capacity of the country centralized today, what is the matter with locating some of the plants that are going to make shells, ammunition and that kind of thing down in a part of the country where you already have your steel, iron ore, unemployment and all that kind of thing? It should be done. What is the matter with locating your new plants for production purposes, as related to the defence program, in parts of the country other than those where you have 82 per cent of them today? If there is another war, it is going to be an atomic war. If that kind of a war comes, decentralization will be desirable; and I would point out that most of the people who are making public statements today with regard to defence matters, both in Canada and in the United States, have made statements a good many times in the last couple of months pointing out the desirability of decentralization of your war plants at least. Now that we are going to spend \$5 billion of the taxpayers' money, there is no reason why the federal government should not plan that production so as to scatter it across the country and thus make for a greater equalization of the defence expenditure and, of course, for the protection of industry in the event of an atomic war.

That is something that was not done in the last war. It should be done at this time. I suggest to the government, as I have time and time again previously, that the plants we are building now should be built and owned in

[Mr. Gillis.]

such a way that they can be turned over to civilian production for peacetime use if and when the war was over. I think that the thing was handled wrongly in the last war. For example, a plate mill was built down at Sydney, Nova Scotia. I am going to stick to maritime problems because my hon. friend did so. That plate mill was built on land that was owned by the Dominion Steel and Coal Corporation. When the war finished, you had a new, modern, up-to-date mill with all kinds of markets in this country for the plate it was producing. The federal government said, "We have gone into shipbuilding. We do not need that plate any more."

We were taking it in our own yards. Dominion Steel and Coal Corporation did not want to operate it; it would run in competition with their mill somewhere else. Therefore you were in this position. You could not sell it. Dosco owned the land. If someone wanted to buy it, they would have to move it off that site. If they moved it off that site, it was difficult to find another one. There was a firm in the United States that I think would have bought that mill; at least I talked to them about it. They said, "if we move it, and if we can find a site, will Dosco supply us with raw materials?" The answer was "No raw materials." That is a fairly high-handed way of handling the resources that they have leased from the Newfoundland government, such as iron ore and so forth. That is an example of how your defence planning was done with regard to building plant and equipment in the last war. It should not be done in that way this time.

The main point I want to make about the decentralization of industry is that now is the time to think about it, when you are creating new plants and new equipment. We should benefit by the mistakes of the last war.

My hon. friend is all in favour of that St. Lawrence waterways development. That is another project that is going to cripple the maritimes further, and it is going to cripple them in this way. I want to remind the house for a moment of the statement that my hon. friend made to the effect that the government is doing a wonderful job, that they have loaned Dominion Steel and Coal Corporation \$7,500,000 for the purpose of a mechanization program that will cheapen production, and that kind of stuff. You should go down and take a look at the equipment they are installing. I did so. I saw it first hand. May I say that I would not want to work under the conditions under which the miners are compelled to work today.

But the point I want to make is this. While the government have made a \$7,500,000