

*The Address—Mr. St. Laurent*

and the available skilled labour in the construction industry at this time would not appear to be very helpful in increasing over-all employment in that industry. Unless it could be likely to increase over-all employment there is no point in spending public money instead of having private enterprise invest its own money in its own way.

Another consideration which is sometimes overlooked is that the type of public project which the federal authorities could undertake might not be at all suitable for the kind of people in a given area who are in need of work. In considering the possible role of public works today, and the present usefulness of a shelf, we must give particular emphasis to the nature of the unemployment and the general conditions prevailing in the economy. As I have said unemployment today arises from a softness, to some extent seasonal, which is concentrated largely in a few specialized industries and areas. The national responsibility to which this government is committed is to do all in its power to maintain a high national level of employment and income. And this, in spite of some serious external difficulties, we have succeeded in doing and we are confident that we shall continue to do so. This is a very different matter, however, from taking federal action to meet special local situations when the general level of prosperity is as high as it is in Canada today.

Whenever it is felt that some local situation should be taken care of by proceeding with works which are of concern to the authorities of that locality, it must not be forgotten that municipal institutions are agencies of the province; and if provincial autonomy means anything, it must mean that we should not attempt to deal with municipal problems without the intervention of the provincial governments. That does not mean that we are not concerned with the well-being of all Canadians, wherever they happen to be, and that we will not always attempt to time our own public works and expenditures so that the residue of any local problem over and above the national average may be as light as possible. But there will inevitably be some residuary problems from time to time in some areas, and the initiative in dealing with them must be taken by the local authorities. If they need assistance they should go first to their provincial governments, and if both they and the provincial authorities feel that there are grounds for federal help in the interest of the nation as a whole, the request for federal intervention should be made by and through the provincial authorities.

[Mr. St. Laurent.]

It is not very consistent to talk about provincial autonomy and then attempt to put on the federal doorstep every practical problem that crops up.

I believe that in looking to the future special emphasis should be placed on natural resources development and conservation policies. In that I find myself in agreement with the leader of the opposition. This is a field that today has more promise than ever before, and has particular interest for us because of the eventual effect it will have on our trade picture. Alberta oil, Steep Rock and Labrador iron ores, and Quebec titanium, and more scientific use of our forest resources, are outstanding examples of resources development which can and will make a radical change in our present unbalanced trade picture vis-à-vis the United States. While our domestic investment boom promises to continue at increasing records, there are many to whom our export prospects do not appear to be so encouraging. Our primary difficulty can be put as simply as one, two, three. One, we buy more from the United States than we are able to sell them; two, we sell more to the rest of the world than we buy from them; and three, our customers are unable to provide the United States dollars which would enable us to balance one against the other. And that is not just a problem of convertibility. The dollars or pounds are merely symbols; and unless there are the commodities available that those dollars or pounds would call for, they are of no immediate use.

I noticed the other day that Sir Stafford Cripps answered the same question put to him, in an interview, when he was asked about the possibility of Canada taking sterling for our sales to them. He said, "Of course that would be merely another way of extending a further loan to us, without interest." That must be realized—and I am sure it is realized, that the people of Canada know that we want to export. As the leader of the opposition (Mr. Drew) has said, we want to find markets for our increasing production; but we do not want to find markets which will absorb our products and give us nothing in return. That is why we are doing our best, as stated in the speech from the throne, to facilitate the earning of Canadian dollars by our European customers. It is going to be a little painful for some of us in some quarters; but I think it is the only way by which we can reach that goal of convertibility—that is to say, that goal where we would not be giving our goods away, and where we would not ourselves continue to be providing by loans the Canadian dollars with which they will pay. Because those loans of Canadian dollars will eventually have to be