

The Budget—Mr. Brooks

The Passamaquoddy project is something the federal government will have to deal with. It is not something the province can handle. As we see it, the only solution in New Brunswick is the development of the Saint John river. The hon. member for Saint John-Albert complained about all these red herrings. Hon. members know when they suggest these other solutions for the immediate future that they are not practicable, yet not one of them will rise in his place and advocate, as he should, the development of Beechwood on the Saint John river. The hon. member for Victoria-Carleton (Mr. Montgomery)—

Mr. MacDougall: The hon. member for Temiscouata—

Mr. Brooks: No, not the hon. member for Temiscouata, the hon. member for Victoria-Carleton and the hon. member for Saint John-Albert have been advocating this in the house at every opportunity. The New Brunswick government has gone ahead with it. I might say that the previous government of New Brunswick, the McNair government, started the Beechwood project. I give them credit for that. I have been amazed at the attitude of members in the house on the government side. Once there was an election in the province of New Brunswick and the McNair government was defeated, the interest that should have been evinced by those members waned. We heard nothing more about it. For instance, we heard nothing from the minister who represents New Brunswick in this government, as far as the development of Beechwood is concerned.

The government of New Brunswick found that it would cost \$45 million to develop Beechwood. As we pointed out, New Brunswick is not a rich province. Today we are paying nearly one-third or more of our revenue in interest on bonds. Cheap electric power can be obtained only if the bonds of the province are backed by the federal government in order to obtain low interest rates. The federal government were not asked to give money to the province of New Brunswick; they were asked under the circumstances, when it was almost impossible for us to look after the matter ourselves, whether they would lend money to the province of New Brunswick so the interest rate would be low enough to enable the province to obtain cheap electric power in order to develop our different industries.

I am not going into the history of that, Mr. Speaker, but I should like to quote from a speech made by the premier of New Brunswick in the provincial legislature on March

[Mr. Brooks.]

25, 1955. Hon. Mr. Flemming, premier of New Brunswick, said:

In view of misgivings which have been expressed in this house in regard to this particular point—

That was the point of financing.

—I would like to place special emphasis upon the three endorsements just cited.

Those were endorsements by three engineering concerns in the Dominion of Canada. Mr. Flemming continued:

The report of the Power Corporation of Canada, among other recommendations, dealt with the cost of financing Beechwood, estimating that money at 5 per cent would produce power at a cost of 5.4 mills per kilowatt hour—

That would be too high.

—but that money at 2½ per cent would reduce generating costs to 3.1 mills per kilowatt hour.

This would mean the difference between cheap and costly electric power in the province of New Brunswick. Further on in his speech Mr. Flemming had this to say:

On April 27, 1953, a brief outlining the need for assistance to that province to develop the Beechwood site, was presented by this government to the government of Canada, together with a request that the federal government agree to advance to the province, as the work progressed, sufficient funds to permit the development of Beechwood; that the repayment rate should be 1½ per cent per year, starting one year after the plant went into operation; and that the interest rate should not exceed 2½ per cent.

The government of New Brunswick was not asking the federal government to give the money; they were asked to lend the money so New Brunswick could have a low rate of interest and cheap hydroelectric power to develop the mineral and other resources of the province. Later on the premier quoted a letter from K. W. Taylor, of the finance department, with reference to this matter, as follows:

I am now directed by my minister to say that he has reviewed this matter with his colleagues, and the conclusion reached is that it would not be right or proper for the federal government to provide funds by loan or otherwise for the development of provincial natural resources along the lines you suggest.

I am sure you can realize, Mr. Speaker, as hon. members realize, just what the disappointment—yes, and the discouragement—was, not only to the government of New Brunswick but to the people of that province when they received that news.

I am not going to enlarge on that further. The provincial government is going ahead. But I should like to point this out, and it hardly seems necessary for me to do so. Other matters which are of benefit to the provinces of this dominion are dealt with in a different way. For instance, we hear the Minister of Agriculture (Mr. Gardiner),