

Supply—Defence Production

factory and pay the freight. Let me tell him that if we purchased on that basis no Saskatchewan firm would ever get a contract; it would be just impossible. If we could buy in Toronto and deliver in Saskatchewan free of freight, those goods would be delivered at prices which would probably undersell any Saskatchewan firm. Firms in Saskatchewan have the protection of the freight charges from larger centres on goods consumed in the area. With three training schools, the ordnance depot and all the other war paraphernalia already in Saskatchewan or due to be there shortly the freight added to the tender price to points of delivery is a very important protection at the place of delivery. If we followed the hon. member's advice, that protection would be thrown out the window. That shows how utterly silly his advice to the government is in that connection.

Mr. Wright: On that point can the minister name one contract he has let in Saskatchewan which would not have been let there if freight conditions had been as he describes?

Mr. Howe: Yes, I can mention one; bread for the employees at the ordnance depot in Regina, or almost any supplies we buy for the troops that are or will be stationed in that province.

Mr. Wright: Bread could be bought more cheaply where?

Mr. Howe: Probably in Toronto.

Mr. Wright: And shipped out to Saskatchewan?

Mr. Howe: My hon. friend wants me to throw away the freight charges or absorb them. We try to buy what we can in every province. I have made a little analysis, and I find that of all the food purchases during the past year 56 per cent came from Ontario and Quebec, 20 per cent from the prairie provinces, 14 per cent from the maritimes and 10 per cent from British Columbia. Perhaps I had better give an analysis of the various fields of purchasing, which when added up give quite a different picture than the quotations of my hon. friend, which really referred to manufactured products. He must recognize the fact that 81 per cent of all the manufacturing production of Canada is concentrated in the two provinces of Ontario and Quebec. I suppose the industry and initiative of the people of Ontario and Quebec had something to do with establishing that pattern, but I believe climate and geography also had a good deal to do with it. Nevertheless we face the fact that 81 per cent of our manufacturing is in those two provinces. I think about 3 per cent is in the

province of Saskatchewan, if my memory serves me right. I speak subject to correction, but that is as I remember the situation. We buy as well as we can and distribute our purchases as well as we can; and I think my hon. friend will find that with the central ordnance depot at Regina, with three air training schools in the province and the other activities I mentioned such as uranium in northern Saskatchewan, on which we will spend over \$2 million this year in direct government expenditure, a very reasonable part of the war expenditure is being made in Saskatchewan. But I know of no way to change overnight an agricultural economy to an industrial economy. I know of no way to change the Saskatchewan economy overnight into the Ontario and Quebec economy.

Mr. Thatcher: I am sure the minister wants to be fair. A moment ago he suggested that Saskatchewan was to have three of the largest airports, each of which would have several thousand men. I can tell him that at the Moose Jaw airport, far from several thousand there will be 650, according to the Department of National Defence. I hope he has not drawn all his other figures out of the air as he did that one.

Mr. Howe: All I can say is that Moose Jaw is not all of Saskatchewan.

Mr. Thatcher: What?

Mr. Gibson: Not all of Saskatchewan.

Mr. Green: In the course of his statement this morning the minister dealt with the small industries division, and I would like some further information with regard to the work of that division. I understood him to say that the division had three functions. The first was to gather and distribute information concerning contracts being or to be carried out by primary manufacturers, and to distribute that information to the small plants. The second was to inform the large plants about the small plants which could take subcontracts. The third was to represent the small plants in Ottawa in order to give them whatever help was needed here at the capital.

Last week a Canadian Press dispatch was published with regard to these small plants, purporting to outline the plans of the department. I am quoting the dispatch as it appeared in the Vancouver *Sun* of June 6, 1951:

The defence production department intimated to Canada's "little" manufacturers today that there are some big defence projects in the wind, and they had better hurry if they want to get in on the show.

The projects included propulsion machinery for escort vessels, shell forgings, aircraft instruments and engines and distribution panels for ships.