

*Supply—Defence Production*

I suggest to the minister that the nation as a whole would benefit if he would put some of these industries in other parts of the country or help to build up the ones presently existing by giving them defence orders. I think the discovery of oil and gas in western Canada has been a great development, and will help our future industrialization. There is a good deal of scrap iron on the prairies on farms and elsewhere. In the last war most of our scrap iron was sent to mills in central Canada. Since that time, however, the freight rate has risen by 45 per cent, and from every indication it is probably going to go up a little more. Why should it not be sensible for the minister to give some metal orders to our plants in Regina, Moose Jaw, Saskatoon, Calgary or Winnipeg? We have foundries which I am sure could produce some kind of equipment if they were given the opportunity.

If the minister does not choose to do something for my province by way of defence industries, I am sure that we are going to see its population go down as it did during the last war. We are going to see many of our skilled young people drained out of the province to central Canada or to British Columbia, and I do not think that is in the national interest. I want to say once again that the minister's own figures make it clear beyond any shadow of doubt that up to this point Saskatchewan in particular, and the other prairie and maritime provinces, have been discriminated against in the awarding of contracts. The minister and his department have told me at various times that they always let defence contracts on a competitive basis. In many cases that is probably a wise thing to do, but with the freight rates as they are it means that very seldom can an industry in the west, or at the extreme end of the maritimes, compete successfully with central Canada if the goods are sold f.o.b. some Ontario point. I ask the minister why it would not be proper, reasonable and fair, to take tenders for these various contracts f.o.b. factory. In other words, if there is a factory in Regina competing with a factory in Toronto, make these contracts or tenders f.o.b. factory. That seems feasible to me. In that way we could avoid the discrimination which exists because of freight rates.

Even Saskatchewan newspapers, my good friends the Sifton press, are somewhat worried about this situation. The Regina *Leader-Post* of February 20, 1951, carried an article reading in part:

Every possible support should be given to the . . . attempt to obtain more contracts and subcontracts to enable Saskatchewan plants to remain in operation. This time the arguments in favour of such a

[Mr. Thatcher.]

policy are unanswerable, and Ottawa will be short-sighted in the extreme if it blindly ignores them as it has in the past.

That is the Regina *Leader-Post* which is certainly not noted for its C.C.F. sympathies. I call upon the minister today to reconsider this question, and in the future to give greater consideration to these provinces in the awarding of defence contracts. If he does not do that, then perhaps I am biased; but I can only draw one conclusion therefrom, namely—that my province is getting no contracts because of its government's political colour.

**Mr. Howe:** I think perhaps I should answer immediately a statement that is so completely distorted as that made by my hon. friend.

**Mr. Thatcher:** Your figures.

**Mr. Howe:** I suggest the biggest industry in Saskatchewan is operated by the government as a defence industry, and that is the central ordnance depot in the city of Regina. Surely that must be contributing something to the economy of Saskatchewan because it is costing the federal government a few million dollars to keep it in operation. I point out to him that one of the most important defence efforts is the air training plan, and I point out that three of the largest schools under that plan are located in the province of Saskatchewan, and each school will be maintaining several hundred men in that province. The moneys involved in maintaining these men will be paid largely to Saskatchewan firms. It seems to me that will make a contribution of the type that Saskatchewan can take care of.

I might point out that some \$4 million of contracts for airport construction has been placed there within the last month. My hon. friend is not willing to accept my statement that the addresses shown on tenders are not a complete disclosure of where the work is being performed. Yet he himself cites one against me when he says that a Saskatchewan contracting firm mailed a tender from Saskatoon, but the work was performed in Alberta. He does not admit for a moment that could happen in reverse, and is happening.

The hon. member expects us to place contracts with Saskatchewan firms. What industrial plant is there in Saskatchewan that is not working to capacity? We have placed orders for blankets there, as we have placed orders wherever we could find capacity. We have placed orders for boots there wherever we could find capacity. If there were capacity, Saskatchewan firms would be tendering on the contracts that go out from the department every day. The hon. member suggests as a remedy that the government purchase f.o.b.