

Natural Resources—Development

the maritime provinces, which have suffered disappointments in the hopes which were held at the time of confederation and which, in the case of New Brunswick under a Conservative administration, which is progressive in fact as well as in name, has undertaken a program of development the like of which has not been equalled in the history of that province. Just when the economy of that province is responding to enlightened provincial governmental assistance in the form of these programs, along comes the blight imposed by these fiscal and monetary policies of the federal government.

Sir, it is a thousand pities that at this most inopportune time the federal government should see fit to apply policies which are having a detrimental effect upon the economy of the maritime area, just when that economy seemed to be assured of an opportunity which it has not enjoyed for a long time.

In a speech made on Saturday night the Minister of Finance is reported to have said that he is not worried about the threat of inflation.

Mr. Harris: Oh, no.

Mr. Fleming: I said that is what he is reported to have said. If he wishes to correct the report I hope he will take an early opportunity to do so, because that is the report in the press.

Mr. Harris: I do it right now by pointing out that the report did not have me in quotations in that particular part.

Mr. Fleming: I think the minister is mistaken in that. I think I can produce it for him. I do not know whether he has read all the press reports, but I saw one press report that quoted the words "not worried about the threat of inflation".

Mr. Harris: I did not say that.

Mr. Fleming: If the minister says he did not say that I congratulate him on not having said it, because there are a good many other things he would have to explain if he had ever allowed himself to say anything of that kind.

I will say this to the Minister of Finance. There are some other things he should be worried about, including the effect of his policies in arresting national development and the development of resources in this country. I will also say this to him. His proposed amendments to the Municipal Grants Act to assist municipalities in this country will not do much more in the case of many municipalities than pay the extra cost of financing that has fallen upon them as a result of the minister's policies.

I have a word to say about the responsibility for the development of resources. I have stressed that these resources must be developed for the benefit of all parts of Canada. National policy must have that objective before it, and we see national benefit in policies that are aimed to assist in the diversification of the enterprise and the economic life of the different parts of Canada as far as that can be economically done. We have known for a long time how much an area like the Atlantic area would be strengthened in its economic life by a greater degree of diversification, with more secondary industry to buttress and diversify the economy of that important area of Canada. The federal government have had opportunities to achieve results of that kind, but I regret to say they have made very poor use of them. They had great opportunities during the war and also in the post-war period, particularly in the period of rearmament that followed 1950, when billions of dollars of public money were being expended and very little ever went to such areas as the Atlantic area. We have brought up this question year after year on the estimates of the Minister of Defence Production, stressing the necessity of distributing as widely as possible throughout Canada these government contracts. But what do we find? The companies that are receiving these contracts are almost invariably companies with head offices in the central part of Canada. It is for this reason, sir, that I say opportunities were given to the government with billions of dollars placed at their disposal by parliament, but that money has not been used to assist in the diversification of the industry and economic life in parts of Canada where that diversification is most urgently needed.

There are also those matters that ought to be government projects, where within the proper sphere of government this federal government has had opportunities in co-operation with the provinces to undertake projects that would have brought not only local benefit in the areas concerned but also benefits radiating out to the national sphere. There is the South Saskatchewan irrigation dam. Those words have tripped off the tongue of the Minister of Agriculture I suppose times without number in western Canada. This project has been sterilized thus far because the government opposite is not prepared to see in that project the opportunity that we of Her Majesty's loyal opposition see of undertaking a work that will be for the general advantage of Canada. There is also the Beechwood power development project in New Brunswick. This is something that was and is urgently needed, not only to give power development to that province,