

Economic Rehabilitation

where you are depending almost entirely on exports to the rest of the world.

The diversification required was not present in the thirties, and of course since that time we have made great progress in the development of our secondary industries. I think that is the whole key to the solution of this particular problem, both in the maritimes and in other parts of the country. How best can you develop secondary industry and, of course, how best can you continue the development of your resource industries?

I want to examine for a moment some of the factors that make for the location or the establishment of industry in a particular locality. I want to do this and endeavour to outline what I might call the natural forces that go to make for that location of industry, and then endeavour to see what you can do to tinker—"tinker" is not a very good word—rather to influence the natural forces, and then to look at some of the things that this government actually has done in this field. I thought this might be a logical and reasonable approach to the problem of the diversification of industry.

The natural factors and forces that go to make for the establishment of industry have been mentioned many times in this debate and I will not labour the point. Obviously transportation is one of the keys. Transportation is perhaps one of the most important single factors in our geographically wide-spread country. Transportation has had a terrific impact, of course, upon the maritimes. The maritimes at confederation and after it were thriving. They were not obliged to compete in the first instance with steam transportation of any kind, whether it be by rail or by ship. Then we saw the development of the railways, cheaper transportation through that means and through the steamship; the maritimes not able to ship their goods and manufactures as cheaply to central Canada where the dense market was building up and, on the other hand, central Canada able to ship its products to the maritimes through the cheaper transportation and cheaper costs arising from its greater ability to mass-produce goods.

Situated as they are geographically the maritime provinces—and I am excluding Newfoundland—certainly got the short end of the stick so far as the development of transportation is concerned. I know there is great concern over our latest transportation advance in the St. Lawrence seaway. We hope the impact on the economy of the seaway and the power project that goes along with it will be such that it will produce sufficient extra or increased business to outweigh any bad effects it may possibly have on the maritime economy.

[Mr. Enfield.]

Of the other factors I would put next in importance sources of energy. By that I mean hydroelectric, coal, oil, gas and now atomic energy. Of course we have a hydroelectric economy, and certainly some parts of the country are greatly endowed with cheap sources of hydroelectric power. Taken with the transportation factor, the two forces are almost impossible to overcome in so far as competition from other parts of the country is concerned.

Another factor is labour. In my opinion labour will go eventually where the jobs are. But, of course, when locating every manufacturer wants to see a reservoir of labour in order to be able to produce his goods. It seems to me that the maritimes particularly provide a good source of labour.

Mr. Murphy (Westmorland): Thank you.

Mr. Enfield: One hon. member says "thank you". I made that point because I had been impressed by the willingness to work of the maritime members whom I have had the good fortune to meet in the house.

The fourth point, of course, is the availability of raw materials. Again that is really part and parcel of the transportation problem. We have seen how we have been able to build up a heavy steel industry on the great lakes not only in Canada but in places like Cleveland, where cheap transportation by ship through the great lakes system has allowed free movement of coal and iron ore, thus putting the industries concerned in a highly competitive position.

Last but not least is the availability of a market. If you can show a manufacturer where he can sell his goods at a profit, you can almost certainly promote something. You can almost certainly sell him on the idea of locating if you can show him that he can produce a particular object, whether it is a can opener or an automobile; and if you can show him where he can take that object and sell it on a competitive basis, of course he is ready to go in. In my opinion it is the availability of a large market close at hand that is the big factor.

Of course that is the one factor with regard to which the maritimes have a particularly difficult row to hoe, closed off as they are from the natural market on the Atlantic seaboard of the New England states; completely surrounded, as the hon. member for Cape Breton South has said, by the sea, and a long distance from the central Ontario market where transportation problems have worked to the maritime's disadvantage. There you have an isolation from any market.

The example of the recent development of a homely foodstuff like fish sticks outlines that