

*Newfoundland*

opinion the tax agreements represent the only attempt yet made in Canada to decentralize this vast power in our country by effecting some redistribution of public revenue among them.

But more than a policy of financial decentralization is essential. Already since the war we have seen serious unemployment affecting Halifax, Trenton, Cape Breton, and other maritime industrial centres. When the closing of the Trenton steel works and its removal to Montreal was being investigated, the president of Dosco defended it on the ground that to continue or expand the industry in Trenton would be uneconomical. Well, it is all very well to say, as the leader of the opposition said, that—

—the great developments that have taken place in the nine provinces have very largely been the result of the wise and intimate guidance of the provincial governments in each of those provinces.

But the function of the national government surely must be to give wise guidance to the national economy, so that all parts of the country may share in the development of our resources and the benefits derived therefrom. In other words, this parliament should have a positive economic policy for all Canada. What is needed is a national policy to provide the maritimes, now including Newfoundland, with the means to supply opportunities for maritime youth in the maritime region, just as we should have a policy to provide opportunities for prairie youth in the prairie region and for Pacific youth in the Pacific region. The centralization trend, economically and financially, can be reversed only by the national government, which must have both the financial resources and the power to achieve a positive development program.

I suggest to the house that we might find some inspiration in what has been done in the United Kingdom since the war to reverse a similar trend and to assist the depressed areas of England, Scotland and Wales. Indeed it is not only socialist theory but economic necessity which has caused the Labour government to nationalize some facilities and to propose the nationalization of some others, including the steel industry. By controlling the banking and credit policies of the Bank of England and by directing national investment, as well as using its power of granting priorities on things in short supply, since the war the British government has encouraged the building of more than seven hundred new and important factories, more than four hundred of which have been built in depressed areas. Last evening I was talking over the telephone with a gentleman, not a resident of Canada but from New York, who has just spent six months in Britain; and he told me that the transformation in the depressed areas was

nothing short of miraculous. He mentioned particularly conditions in Cumberland, where before the war some thirty to forty per cent of the people were continuously idle and unemployed. He went on to say that within a month or two that area will have a shortage of labour.

Some delegates to the parliamentary conference last September and October visited South Wales, for example. I was not one of that party, but they told of the tremendous industrial expansion and mounting level of employment in that depressed area, where for years before the war misery, poverty and unemployment dominated the countryside.

The effect of this is also improved housing, improved health and a tremendous drop in the death rate, particularly the infant mortality rate. Taking as an illustration the northern city of Jarrow, which Ellen Wilkinson once described as the city that was murdered, in 1934 the infant mortality rate was 95.82 per thousand, far above the national average of 61.92. Last year, because of the relocation of industry and employment, it fell below the national average, to 39.68 per thousand.

Side by side with the decentralization of industry, requiring for our own country, incidentally, a program of housing, the expenditures on ill-health will drop sharply. The effects of malnutrition and overcrowding are minimized or largely prevented when you have industry, employment and all that goes with it. I say, then, that the entry of Newfoundland into confederation should be an occasion when this parliament should be considering policies that will give new hope to the maritime area. The problems of Newfoundland are similar to those of the maritime areas; transportation, economic development and the marketing of products. I say this is a challenge presented to this parliament at the present time, a challenge to adopt a really imaginative national policy.

It is my contention that no single province, no matter how rich, can alone undertake this kind of thing successfully, for it requires a careful survey of the primary products and resources of the country so that a decision can be reached as to the types of industry which should be located in the several areas that are under-industrialized or depressed. Then, of course, an intelligent national plan for the utilization of our resources is required. Along with that a conservation policy should be formulated, adopted and indeed put into effect. I know that, when Newfoundland comes into this confederation, Newfoundland as well as our other provinces will need a policy of that description for the conservation and intelligent use of resources. Along with that should go a national transportation policy which would serve the nation instead

[Mr. Coldwell.]