

*Newfoundland*

the committee much more effectively than I can just what results might be expected from that pulpwood. A condition exists there that does not exist in Canada or anywhere else that I know of, although it may in Norway, whereby the forests regrow in thirty years. I never saw such forest growth in my life as I saw in Newfoundland. This is brought about by the moisture content of the air and the ameliorating temperatures, the country being of course surrounded by water.

I hope the minister does not become distracted by thinking there is any possibility that we are not going to be able to carry out our obligations. Give the island a chance and it will pay its way. It has not had a chance up to the present. The same applies to the fisheries. The whole service should be made more rapid than it is today so that people may travel back and forth more quickly. They should be able to ship more rapidly the goods they sell and in that way develop their business. The more business they do, the more they will be able to buy from us.

I made a comparison of the costs to the consumer in Newfoundland. I found that people along the coast were generally opposed to confederation. One argument I used was that it would cost them much less to live if they were part of Canada because their present rates of duty are so high. I found that the cost of ordinary groceries, food and other articles was from fifty per cent to one hundred per cent more than in Canada. If these people are given an opportunity to buy at rates comparable to what we pay, they will buy much more. That will be better for the older provinces of Canada and it will help to reduce the deficits on the railroad by providing more freight.

I am for one not going to endorse the expectation that Newfoundland is going to embarrass Canada financially. I look at the bright side of things. I think union will be most helpful to Canada. We can work together. They should be given a chance to come up to our standards in every way.

**Mr. Green:** Has the government any plans in mind for the promoting of industry in Newfoundland? Section 24(2)(c) reads:

(c) no part of the surplus shall be used to subsidize the production or sale of products of the province of Newfoundland in unfair competition with similar products of other provinces of Canada, but nothing in this paragraph shall preclude the province of Newfoundland from assisting industry by developmental loans on reasonable conditions or by ordinary provincial administrative services.

Apparently that contemplates that the provincial government of Newfoundland will

assist in the development of industry, but I think it is of the utmost importance that the federal government should also promote the establishment of industries in Newfoundland. We have much the same kind of problem on the west coast. There is a greater need for assistance of this kind in the remote provinces than there is in the central provinces. Can the minister tell us whether the government has in mind assisting in the development of industries in Newfoundland.

**Mr. Abbott:** My hon. friend will appreciate that primarily this comes under the jurisdiction of the Minister of Trade and Commerce. The minister was down in Newfoundland last week, and prior to that officers of his department, acting on the assumption that union was probable, were down in Newfoundland going over the industrial situation and making a survey of what could be done and in what way the federal government could assist, not only during the transitional period but in the development of such industries as might be suitable to Newfoundland.

The paragraph to which my hon. friend has referred was put in because, as may be seen from the section itself, Newfoundland is being permitted to retain its surplus, which amounts to some \$26 million. That is a rather unusual provision when the dominion is taking over most of the debt, but it was felt that it was quite proper that that should be done and the surplus made available to the new provincial government for whatever purposes it saw fit to use it in the interests of the province. However, it was felt that it would not be appropriate that it should be used to subsidize the sale of Newfoundland products so that they might enter into unfair competition with those of the other provinces. That was a condition in the original proposals for union and it was continued in this arrangement.

**Mr. Green:** The minister has said that this matter of industry would come under the Department of Trade and Commerce, but I would point out to him that the industrial development bank comes under the Department of Finance. It seems to me that that bank could be of great help in Newfoundland and I should like to know whether any steps have been taken by the industrial bank authorities to see in what way they can help out in Newfoundland.

**Mr. Abbott:** I am glad my hon. friend raised that point. It may be premature, but it is the intention of the industrial development bank to have offices in Newfoundland, as they have in other provinces. Naturally the management of that bank will be not only willing but anxious to do what is done in