

Senator ISNOR: I wonder why you give the same time limit in all provinces across Canada. We had an answer a moment ago—because of the favourable weather in British Columbia.

Senator HAYDEN: Do they not winter better?

Senator ISNOR: I doubt if this is a fair arrangement, when you look at the figures and see that Nova Scotia got only \$119,000, a very small sum, as against several million in some of the other provinces. I wish to emphasize that the time limit has something to do with that. As regards the more severe weather, my point is that you should take it into consideration and grant a longer period in places like Nova Scotia and New Brunswick than elsewhere, or a shorter period in British Columbia.

Hon. Mr. MARCHAND: The purpose of this program is to decrease unemployment at the peak period of the year when we have greater unemployment throughout Canada. It is a general phenomenon in Canada. This is the purpose of the scheme. It is not necessarily designed to have buildings constructed: it is really an employment stabilizing measure.

Senator ISNOR: On that ground alone, I think more favourable consideration should be given to the Maritime provinces in general, more particularly Nova Scotia because of the employment problem there. The unemployment figures for Nova Scotia during the last several years have been very high.

Mr. DYMOND: I would not say that this is the only explanation for the rather low proportionate figure in Nova Scotia. One factor is that the Nova Scotia Government does not add any percentage to the federal percentage of payroll expenditure. You tend to get the biggest effect, understandably, in those provinces which add contributions to the payroll expenditures of the federal Government.

The CHAIRMAN: This is a very important point. When you reach a condition where we have unemployment throughout Canada now barely over 3 per cent, should there not be more of a slanting or weighting given to the Atlantic provinces or those areas where there is still a greater degree of unemployment than in other parts of Canada? Should the proposed 50 per cent figure not be weighted more towards those areas where there is a larger degree of unemployment. I think that is Senator Isnor's point.

Mr. DYMOND: I might add a comment which, however, does not provide the complete answer. In Nova Scotia, Newfoundland, New Brunswick and eastern Quebec there is a weighting in respect to the fact that the federal payroll expenditure is 60 per cent in most areas of these provinces, except the large urban centres, by virtue of the designated areas under the Department of Industry Act and the high winter unemployment areas designated by the Government; so there is a degree of weighting that is heavier in this respect in the Maritimes or Atlantic provinces.

The CHAIRMAN: Although it does not seem to be having an effect? The figures do not show that it is having such a great effect?

Mr. DYMOND: Another relevant variable in this matter in relation to various areas, is that in order to participate in this program, municipalities must have resources of their own, because this measure applies only to the payroll costs. Therefore, there must be tax revenues in the municipality or capability for borrowing there, before that municipality can take much advantage of his particular program. As the minister has said, it is not designed primarily to assist municipalities in carrying out capital construction projects but rather to stabilize employment. From the point of view of assistance, the municipality must have something to start with, before it can come into the program as heavily as in other parts of the country.