

*Interim Supply*

tax-sharing arrangements with the province would put New Brunswick and the other maritime provinces in a position where the poor province would become poorer. At that time I had only a quotation by means of which to answer him. But since then the provincial government of my province has done considerable research on the matter and the words in the budget speech of March 13, 1957 of Hon. D. D. Patterson, provincial secretary-treasurer, explained the matter clearly. They read as follows:

Under the present tax rental agreement, and for the current fiscal year—the last under the old agreement—New Brunswick is shown as receiving \$18,505,000 and Alberta \$35,265,000. On a per capita basis this is \$32.58 for New Brunswick and \$31.51 for Alberta—in other words, New Brunswick receives about \$1 more per capita than Alberta.

Under the new agreement, in the first year, the estimated revenue for New Brunswick is \$22,645,000 and for Alberta \$46,350,000—or, on a per capita basis, \$39.18 for New Brunswick and \$39.55 for Alberta. In other words, Alberta will now receive slightly more per capita than New Brunswick. Is it any wonder that we have used the phrase in regard to the new offer that it is a "rich stay rich and poor stay poor" proposal?

Mr. Chairman, I only want to say that I feel we are moving ahead in our consideration of some of the softer areas of our country. We regret that it has been so late but, like all maritimers, we are optimistic and hopeful. We are proud to be part of Canada. Therefore in a non-partisan way we appreciate these offers for the future. It is tied in with our tight economy. I feel that the tax-sharing arrangements will provide an answer if they are brought up to date. We have suggested that a fiscal arrangement factor of need is the best method. I still hope the Minister of Finance will consider this matter so that when we come back to this house, those of us who are fortunate enough to do so, whether the minister is on this side or whether he is perhaps lucky enough still to be retaining the responsibilities that he has now, serious thought may be given to a more long term solution. It is all very well to come up with two or three mild concessions on our power and transportation costs but we must have a plan for the future if the maritimes and the Atlantic provinces generally are to be able to take their place in this great nation.

**Mr. Low:** Mr. Chairman, I want to raise a grievance which involves the failure of the federal government to shoulder what are clearly its responsibilities with regard to sharing the cost of arterial highways that lead into federal territory. I am going to use as an example of the kind of thing about which I complain something that was raised on the floor of this house a little while ago—rather in a contemptuous way—by the hon. member for Mackenzie River, which is

in the Northwest Territories. I have in mind what he said about the Mackenzie highway and the failure of the Alberta government to maintain and to look after it. In the course of what I say, I want to point out that this government has failed abjectly to shoulder responsibilities that are clearly its own and not those of the province of Alberta, as I shall show. I think perhaps first I had better, for just a few brief minutes, trace the history of this Mackenzie highway and point out how it was built, by whom and under what conditions.

The first tractor trail was thrust through northern Alberta and down to Hay River by the province of Alberta in 1936 or 1937 without any help whatever from the federal government and as a means of assisting and encouraging the prospecting and development of that territory. This was nothing but a winter trail but it did serve a very useful purpose and it gave exactly the encouragement that had been planned to prospectors and miners and fishermen who were carrying on their activities in the Northwest Territories across from the boundary of Alberta.

In 1937 the Alberta government negotiated with the federal government for a joint agreement to build a settlement road from Grimshaw, Alberta, in the Peace river country, to Hay River on Great Slave lake, which is a matter of about 300 miles. The agreement was eventually worked out according to which Alberta was to build the road and the federal government was to pay 66 $\frac{2}{3}$  per cent of the cost of construction. The specifications demanded by the federal government as the price of its assistance in the building called for a light grade only with a 20-foot top, the same to be gravelled on what later proved to be a very inadequate gravel course; one that simply could not possibly stand up under the traffic that was to come. It was designed as only a development and settlement road, not as a highway. I want to emphasize that point. It never was designed to be a highway when it was planned and built.

May I say a word about the cost? Although the agreement worked out between the province of Alberta and the federal government called for the federal government to pay 66 $\frac{2}{3}$  per cent of the construction cost it turned out that they paid only slightly more than 48 per cent. I want the Minister of Finance and the members of the government to realize that is the case. They have paid only 48 per cent of the cost, perhaps a little more. Alberta did agree to pay the cost of maintenance for the whole length of the road to the boundary. At that time nobody foresaw the outbreak of world war II nor did anyone foresee the