

*Dominion-Provincial Relations*

or to put back to work in any way the 6,000 registered as unemployed in Halifax, the 6,800 registered as unemployed in Sydney, the 5,600 registered as unemployed in the New Glasgow office, the 2,900 registered as unemployed in Lunenburg county, the 1,200 registered as unemployed in Liverpool, and the 5,000 registered as unemployed in the Yarmouth office?

These are the problems of unemployment broken down to particular cases. We are told by the Minister of Finance that this will be an effective aid in combating unemployment in the province of Nova Scotia. Those are the words of the minister, but the premier of Nova Scotia says the increased grants under this legislation have now been committed to present services and to aid to the municipalities, and will not even meet the provincial share of the hospital insurance plan. I think it is obvious that the Minister of Finance very easily and very properly could have left off the third benefit that he expected to accrue from this particular measure. Although it will assist the provinces and the municipalities, it will do nothing in the province of Nova Scotia to assist unemployment, and it should not be presented to the house so as to give the impression that it is an effective aid in combating unemployment.

**Mr. Deputy Speaker:** Is it the pleasure of the house to adopt the motion?

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Courtemanche in the chair.

On Clause I—*Additional grants to Atlantic provinces.*

**Mr. Brooks:** May I say that the minister was called out of the house on a very important telephone message. He will be right back.

**Mr. Martin (Essex East):** We would all have confidence in the minister who is here now.

**Mr. Brooks:** That is very kind of the hon. member.

**Mr. McMillan:** Mr. Chairman, I well recall the discussion in this house on the federal-provincial tax-sharing agreements now in force. Premier Frost of Ontario announced publicly at that time and afterwards that the province of Ontario required an extra \$100 million. He also criticized the Liberal members of this house for not standing up in our places and taking the part of the province of Ontario. He criticized the equalization payments to the smaller provinces and particularly mentioned the province of Alberta as being a province without much debt and therefore not requiring these particular payments.

In looking over the table appearing on page 3850 of *Hansard*, I find that Ontario gets some \$216 million of the approximately \$630 million total federal payments payable to the provinces in the fiscal year 1957-58. This works out at approximately 34.24 per cent of the total which is Ontario's share at the present time. Under this bill the amount of the estimated increased payments to the provinces is \$87,203,000. If the province of Ontario received the same percentage, namely 34.24 per cent, the amount accruing to that province would be increased by some \$28,800,000. But under this bill Ontario's increase is only approximately \$22,315,000. Hence the province of Ontario is really slated to get \$6½ million less under this bill than it would get under the formula devised by the previous government.

I realize that in this amount is the amount of \$25 million given to the Atlantic provinces. But if we exclude this \$25 million of the Atlantic provinces adjustment grant, we have \$62,203,000 to divide among the other provinces. Among these six remaining provinces, Ontario provides over 46.7 per cent of the yield of standard taxes and gets only 35.87 per cent of the increased amount to be divided as federal payments among the provinces. This differential percentage-wise would mean some millions of dollars to the province of Ontario. From this one can draw only one of two conclusions, either that the premier of Ontario is taking a much more generous view towards the other provinces in these federal-provincial fiscal arrangements than he did formerly or that, since this bill is considered to be an interim arrangement, an understanding has already been reached to supersede or to amend this bill at some later time in order to pay the province of Ontario more.

I am willing to vote the Atlantic provinces or any other part of Canada any money they require for federal assistance. I do not like this piecemeal method of legislation and this all comes from the lack of the presentation of a proper budget. This government seems to lack an over-all national policy.

The mere fact that this is an interim arrangement suggests to me that the government and the Minister of Finance have in mind further arrangements that he is hiding from us at this time. I had high hopes that the Minister of Finance would fill his office with high efficiency but I cannot but think that he lacks the candour and that high tradition of office possessed by many of his predecessors from both major parties in this house.

It was argued and debated at the time of the last federal-provincial agreements that in