

*The Address—Mr. Michaud*

who, very often at the risk of their own lives, embark upon perilous adventures in the hope of making a catch which represents the daily bread of their families.

Before entertaining such unjustifiable intentions towards those fishermen, we should consider providing them with other means of subsistence than the meagre ones which they now have at their disposal. The unemployment insurance act for fishermen is a measure introduced by the former Liberal government to supplement the lack of revenue of small fishermen. It would be inconceivable to now think of abolishing it.

(Text):

Mr. Speaker, it has been said that the speech from the throne was more remarkable for what it did not say than for what it actually revealed. What is essentially the main economic problem of today, namely unemployment, was virtually ignored.

The question of unemployment as applied to the maritime provinces is of particular significance. We cannot ignore the fact that economic conditions in those provinces as compared with the national picture reveal a situation which is twice as severe as it is in the most prosperous areas of the country. It is a problem which arouses the concern of every public minded mariner. Public bodies as a whole are giving this matter their intense attention and thorough study.

I should like at this time to make a few observations derived from a study made on this matter by the Atlantic provinces economic council, commonly known as APEC. In the maritime provinces since 1940 personal income per capita has been about 70 per cent of personal income per capita in all Canada. What are the major economic factors, therefore, which cause the differentials between the Atlantic provinces and Canada as a whole? One important factor is the participation of persons of working age in the labour force. In the maritime provinces about 50 per cent of the total population of 14 years of age and over participate in gainful employment. In Newfoundland the labour force participation rate is about 45 per cent. In all Canada it is about 55 per cent, while in Ontario the rate is approximately 57 per cent. The slower pace of development in the Atlantic provinces is the factor which causes the lower rate of labour force participation, and at the same time this low rate is a factor helping to produce a lower per capita income.

Furthermore, no account has ever been taken of unemployment among self-employed persons in the Atlantic provinces. Relatively high unemployment is usually considered to be

characteristic of such occupations as farming, fishing and logging. Because these occupations are proportionally more important in the Atlantic region, any so-called unemployment assessment is probably an understatement. Seasonal unemployment is a problem in Canada, but nowhere in the country is it a greater problem than in the Atlantic provinces.

What are now the main causes for this situation? The first cause is a lack of investment. Investment, it should be noted, performs at least two very important functions. First, during the construction process investment is responsible for generating employment and income. Second, when construction is completed investment spending has provided a stock of capital goods to assist management and labour in the production of more goods and services. As applied to the Atlantic provinces, during the 1949-58 period, new investment per capita in fixed capital assets was only 57 per cent of the total new investment per capita figure in Canada as a whole. During the same period new business investment amounted to about one half of total new investment in the Atlantic provinces, as compared with 61 per cent in Canada as a whole.

It must be emphasized that new investment has greater ability to directly provide continuing employment. On the other hand, investment by government departments, investment in housing and investment in various institutional projects has a relatively low ability to provide employment directly once construction has been completed. Non-business investment accounted for nearly half the total new investment in the Atlantic provinces during the 1949-58 period, as compared to 39 per cent in all Canada. Thus not only is per capita investment relatively low in the Atlantic region, but total investment is directed to a greater extent to those sectors where the ability to provide continuing employment is limited.

From APEC studies it has become apparent that levels of income are lower in the Atlantic provinces because fewer persons of working age seek work, because unemployment among those who do enter the labour force is higher, and because investment is lower than in other parts of Canada. Moreover the rate of earning is lower, largely because a greater proportion of the labour force is engaged in low-productivity occupations relative to the rest of Canada.

We must now inquire more fully, continues this APEC study, into the nature and structure of the regional economy in order to locate the underlying causes of this situation. The three primary occupations of farming, fishing and logging have traditionally played an important and complementary role in the