

*The Budget—Mr. Comeau*

will not elaborate on that at present, though I have done so before.

Then we come to the Department of National Defence. This month Fairey Aviation is scheduled to be closed. Fortunately, I understand that negotiations are going on and the Dartmouth people might end up in a better position than previously as far as employment is concerned. Fairey Aviation is not a defence base, but the company is entirely dependent upon defence expenditures for survival. It employed over 400 people. The de-escalation of these expenditures is responsible for the situation in which this establishment now finds itself.

In another not unrelated area, I feel I should make some observations about the cut-backs in civilian employment within the Department of National Defence, again accentuated by the policy of the government. In this connection I am happy to have the minister's assurances that lay-offs that will have to take place as a result of the freeze of the defence budget will almost entirely be through natural attrition. However, it must be noted that if we bear our share of the forecast 10 per cent reduction by 1973, it will mean that the economy will have to get along on pensions as opposed to the working incomes of approximately 400 to 500 men in Nova Scotia. Some of this will be in my riding at Cornwallis. My warning is, "Don't turn the economy into a pension economy."

In order that hon. members may better understand the enormous impact on our economy that could result from the loss of industries dependent upon such activities, let me say that on the basis of the last completed survey, which I understand was in 1960, 44.7 per cent of household income in Nova Scotia resulted directly from federal expenditures, and 43.5 per cent of employment was directly attributable to federal expenditure. Any tampering with such a dependent economy has an obvious and immediate adverse effect. Now, where is the Department of Regional Economic Expansion? Where is the co-ordination between departments, if they are allowed to proceed in this way to create unemployment? Where is the Department of Regional Economic Expansion which is supposed to be the custodian of this type of activity?

Let us look at another area, transportation. To talk about an area I know best, the Maritimes, recently there have been two freight rate increases on the railways, and I understand another one is scheduled. We cannot begin to talk about reducing the economic

gap without including transportation, Mr. Speaker. It is the key for Maritime exports to the rest of Canada. In addition to that I would include the harnessing of the Fundy tides. I believe there is a great future in that development.

● (8:50 p.m.)

On the subject of transportation, I cannot understand why we do not have some planning. Possibly there is too much planning and not enough action. Where are the fast trains and other forms of modern transportation? What is being done to encourage people not to drive their cars in the cities every day? What is being done about the problem of pollution? Why cannot there be improvements over what we have had in the past?

The government of Nova Scotia has acted to improve ferry service between Nova Scotia and New England. The new ferry service will be instituted this June. Normally the terminal facilities are provided by the Department of Transport, but the federal government has said they will not provide any more money to Nova Scotia for this type of project. Therefore, it was necessary for the government of Nova Scotia to obtain a loan. We are glad this is being done by that government even though these facilities are normally provided by the Department of Transport.

Why is the responsible department not protecting the rights of these designated areas? Why are there not improved transportation and tourist facilities? The transportation of goods must be improved. There is great potential in the tourist industry in Nova Scotia and it should be encouraged in every way possible. The ferry service to which I have made reference is one way in which the Department of Transport could have assisted. While on the subject of transportation, I wish to make a brief reference to Air Canada. I listened with interest when the hon. member for Trois-Rivières spoke about discontinuing air services in the city of Trois Rivières. Is Air Canada going to be allowed to discontinue services at a time when business is increasing? This question is of particular interest to my constituents.

I am glad to see the Minister of Fisheries and Forestry (Mr. Davis) here. The primary resource of the Atlantic area is fishing. However, the concern of this government is basically to reduce the number of fishermen. This is being done on both the east and west coasts. The government has allowed our