

*Dominion-Provincial Relations*

Mr. Chairman, to the present resolution and to the bill which it is hoped will follow upon the passage of the resolution, the government attaches very great importance, for it looks upon this measure as one that will bring aid to the provinces and municipalities of this country, and effective aid also in meeting the problem of unemployment.

Later in the same speech, in connection with the Atlantic provinces grants, the Minister of Finance said:

The government therefore, Mr. Chairman, believes that in submitting this proposal to parliament we are submitting a proposal that is fully justified by the economic facts of life in Canada; that will commend itself to the sense of fair play of Canadians in all provinces, and will assist in the Atlantic area of Canada in the development of resources, in enabling these provinces to raise the level of public services up to a point where they are comparable with those prevailing in other provinces of Canada, and will assist as well in the provision of employment.

Again today the Minister of Finance repeated the same sentiments and added the further observation that this bill will make a substantial contribution to meeting the problem of unemployment. I have quoted these excerpts from the minister's statement to show that the minister feels that this measure will have a threefold effect. It will help the provincial treasuries and as a result of that aid the municipalities, and then in addition will provide an effective aid in meeting the problem of unemployment. It is to the third phase of the measure that I wish to address these remarks, because I wish to destroy as well as I can the assertion of the Minister of Finance that this particular measure will be an effective aid in meeting the problem of unemployment in the province of Nova Scotia.

It is obvious, first of all, as was pointed out this morning by the hon. member for Coast-Capilano, that this measure can do nothing to assist unemployment in the critical months of January, February and March. This so-called effective aid in meeting the problem of unemployment will not even be in effect until April 1. Moreover, if this measure were to be used by the provincial governments to combat unemployment in the provinces, those provinces would presumably allocate portions of the increased grants for spending in the way of public works, construction and investment.

The question I ask is whether any substantial part of the increased grants could be used in Nova Scotia to put back into employment any of the 38,000 now registered as unemployed. What hope does Premier Stanfield have, for example, that this increased assistance could be used to combat serious unemployment in Nova Scotia? For the attitude of the premier of Nova Scotia I rely on a news report in the Halifax

[Mr. MacEachen.]

*Chronicle Herald* of yesterday in which the premier, having observed that the increased assistance will provide a total of a little more than \$10 million to that province, went on to say:

That will enable us to carry on our present services and effect some improvements. Indeed, it was on the expectation of some such assistance that our government made recent proposals to the municipalities. It should be understood however that the added federal assistance is required for general government services and will not provide all the money our province would require for our share of the hospital plan.

In other words the premier of Nova Scotia clearly states that this increased assistance will first of all be used to redeem the commitment of the provincial government that it will offer an additional \$2½ million to the municipalities, which of course will be very much welcomed by the municipalities of Nova Scotia. Then it will be used to carry on present services and effect some improvements; and finally, in the opinion of Premier Stanfield, the remainder will not be sufficient to pay the provincial share of the hospital insurance plan. The provincial government of Nova Scotia will therefore be expected to cultivate further sources of revenue in that province to make the additional expenditures called for under the provincial share of the hospital insurance plan. Therefore the money is to be used for present services and commitments of the provincial government and what remains, which is nothing, is now to be used according to the Minister of Finance as an effective aid in combating unemployment in Nova Scotia.

What I would like to ask is how this measure can meet the requirements, for example, of the executive of the united mine workers, which issued a call for immediate government assistance to alleviate serious unemployment in Nova Scotia, especially in Cumberland, Pictou and Inverness counties. Of what assistance will this measure be in overcoming the situation on Cape Breton Island, where 7,000 people are registered as unemployed? Will this measure be an effective aid to unemployment on the Halifax waterfront, where conditions are the worst in 20 years according to the maritime superintendent of the unemployment insurance commission? Will this measure be an effective aid to alleviate the unemployment of construction workers in the Atlantic provinces, whose numbers are 30 per cent greater at present than at the same time last year?

I would like to ask, too, whether this can be an effective aid to put back at work those engaged in the logging, lumber and pulp industries, where activities have come to a virtual halt in the province of Nova Scotia;