

*Tight Money Policy*

place less dependence on the advice of its financiers who believe in an economic gospel which, in my opinion, is outmoded, but pay more attention to those who realize today that the common good must prevail.

The Social Credit members are right sometimes when they say that anything which is physically possible should be made financially possible, especially when we see in our country millions of dollars idle or improperly distributed or distributed to the wrong people, in areas where people have already more than their essential needs, while in other areas, they have to do without the necessities of life.

• (5:00 p.m.)

[*English*]

**Mr. Robert C. Coates (Cumberland):** Mr. Speaker, I should like to express my full support for the amendment moved by the hon. member for Northumberland (Mr. Hees) and in particular as it pertains to the existing tight money policy. I was very pleased to listen to the hon. member who has an appreciation of the problems that exist in the Atlantic provinces and who, when he was a member of the former Conservative administration, always showed a keen awareness of Atlantic area problems and of the best methods to combat them.

During the years 1957 to 1963 the Atlantic provinces were the beneficiaries of a new federal government philosophy. The Conservative government was willing to experiment with new types of legislation which might well be the answer to the problems we have had since the formation of the nation in 1867. For instance, we saw the passage of the legislation providing for Atlantic provinces adjustment grants. We saw the passage of the Atlantic Provinces Power Development Act and of the Atlantic Development Board Act. These and many more measures were examples of a new federal philosophy applied to the Atlantic provinces because of the unique circumstances in that area of Canada.

Prior to 1957 we in the Atlantic provinces experienced an approach by the federal government not dissimilar to the approach being taken today, and the present approach frightens me, Mr. Speaker, because I hate to think that the federal government is once again getting into the rut in which it appeared to be during the 22 years from 1935 to 1957. Those were terribly hard times for the people of the Atlantic provinces. There was a high unemployment rate and few opportunities. Indeed, they were such difficult times that

[*Mr. Mongrain.*]

they led the hon. member for Davenport (Mr. Gordon) to produce a book containing a recommendation that one-way tickets be provided to transport people from our area into more prosperous areas in the other six provinces.

In the election campaigns of 1957 and 1958 the people of the Atlantic provinces indicated in a very definitive way that this was not the kind of philosophy they desired from the federal government, and they assisted materially in disposing of the former government. In 1963 there was chaos in Ottawa, and I believe the people of the Atlantic provinces adopted the attitude that six or seven years in the wilderness might have taught the Liberal party a lesson and that it might adopt a different philosophy toward them. But in 1965 the people of the Atlantic provinces again indicated in no uncertain terms that they did not like the kind of attitude the Liberal government was adopting and once again gave their support to the Progressive Conservative party.

If ever there was an indication that the Liberal party is falling back into the old rut it was best exemplified by this year's budget. I should like to quote from an analysis of current economic conditions and trends published in April by the Atlantic Provinces Economic Council, which certainly could not be considered an arm of the Progressive Conservative party, the Liberal party nor any other party. It is an independent body which has the best interests of the Atlantic provinces at heart and endeavours to point out, quite effectively I think, ways and means improving the economy of the Atlantic provinces. I quote from its analysis:

There are a number of indications that pressures on the Atlantic economy are nowhere near as great as in other areas of Canada.

For example, the regional unemployment rate in the Atlantic provinces averaged 7.5 per cent in 1965. This was more than twice the rate of 3.6 per cent for the other six provinces, and even higher than the national rate of 7 per cent during the 1960-61 recession years when the national economy was operating at 91 per cent of capacity. Last year the ratio of national output to the economy's potential was 97 per cent.

This situation must be looked at in a different light than that existing in Ontario and the prairie provinces where unemployment rates averaged only 2.6 per cent last year. Within this region the unemployment rate ranged from 5.4 per cent in Nova Scotia to 11.3 per cent in Newfoundland. Although regional unemployment has a large seasonal element it never really got below 4 per cent last year.

While the employment picture has brightened considerably since the beginning of the current expansion in 1961—