

*Economic Rehabilitation***AFTER RECESS**

The house resumed at eight o'clock.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I had not planned on speaking but the hon. member for Cape Breton South made such a good argument this afternoon that I whispered to him I would like to say a few words in support of his resolution.

There was another factor that has resulted in my taking part in this debate. Over the week end I received the commercial letter of the Canadian Bank of Commerce. They have devoted most of this issue to the Atlantic provinces economic council, and it is a most interesting study. One portion of the current statistics will give the Minister of Finance a good deal of satisfaction tomorrow evening because it points up the very buoyant economy we have. I am sure the minister is pleased to be able to report that our gross national product is up 10 per cent compared with the year before, and if we take the last quarter of 1955 there is an increase of 13.5 per cent in the gross national product compared with the corresponding period a year ago.

On this chart 36 items are set out covering such things as industrial production, electric power, railway freight and retail sales. There has been a marked increase in 31 of the 36 items, and only five items show a decrease. One item which shows a decrease is unemployment, about which I am sure we are all very happy. The figures given are for November, 1955, as compared with November, 1954. As would be expected, there is a slump in farm products, but I do not intend to deal with that at any great length tonight. The largest increase, of course, is noted opposite the investors' price index, which shows an increase of 23 per cent.

There is an interesting paragraph in this monthly letter which discusses the problems of the maritimes which have been brought to the attention of parliament by my colleague the hon. member for Cape Breton South, and other maritime members:

It is no secret that the maritime provinces have long been regarded as the Cinderella of confederation—a Cinderella, moreover, to whom no glass slipper has yet brought emancipation from its disabilities, and to whom the unkind step-sisters, in the form of geographic insularity from the largest domestic market, high transportation costs, and a present, but not necessarily irremedial, lack of certain natural resources—

It directs attention to several of the royal commissions which have been established, such as the Duncan commission and the Rowell-Sirois commission, and refers in part to their findings. Later on it says:

In almost every facet of economic life the Atlantic region falls below the Canadian average, and in some respects the gap is widening. A few data

[Mr. Enfield.]

will illustrate the relative decline in the rate of growth of the maritime economy during the post-war period.

In 1946, the Atlantic provinces (including Newfoundland) accounted for 12.2 per cent of the total population; in 1955, 11.3 per cent. Between 1946-55, the Canadian population had increased 27 per cent, the Atlantic provinces 14 per cent.

This paragraph is especially significant:

Expressed as a percentage of average per capita personal income in Canada, Prince Edward Island had only 54.2 per cent in 1954, a decline from 60.3 per cent in 1946; Nova Scotia 76.7 per cent, a decline from 84.5 per cent; and New Brunswick 66.5 per cent, a decline from 72.4 per cent. Not only was income well below the general level, therefore, but the unfavourable discrepancy had increased.

And later:

One of the basic policies of the central government following confederation was the development of industry under a protective tariff. Coincident with the growth of protectionist policies in this country was a similar development in the United States. As a result, both the export and import trade of the maritimes were adversely affected. Exports to central Canada, on the one hand, were held to a minimum by the high rail transportation costs, while those to the near-by New England market were similarly excluded by tariffs. At the same time, the Canadian tariffs operated to force imports from upper Canada and exclude the lower-priced consumer and capital goods from the United States.

Anyone who is interested in this important national matter would be well repaid to read this enclosure in the last commercial letter. It mentions some of the proposals advanced by the hon. member for York-Scarborough just before the supper adjournment. I think it should be said that if this sector of the economy is handicapped as seriously as it is, it is impossible for the people in that area to pull themselves up very far by their own bootstraps, and it becomes the responsibility of the parliament of Canada to face up to some of these problems which have been presented to us by the hon. member for Cape Breton South.

While waiting for my turn to speak I sent to the library for the briefs which had been presented to the Rowell-Sirois commission. One volume was sent to me in error, but it happens to contain the submission of the Charlottetown board of trade. This brief mentions that at the time of confederation Prince Edward Island was a very flourishing portion of Canada, but since that time its actual population and relative population have gone down. I was rather surprised to find a board of trade paying so much attention to the problems of the farmers in that area, but after a little reflection I realized how closely the whole economy of Prince Edward Island is tied up to the position of the farmer. This brief goes on to state:

A concrete example of these difficulties is to be seen in the present potato situation. The