

Atlantic Development Board Act

section 9 of the Atlantic Development Board Act:

The objects of the board are to inquire into and report to the minister upon programs and projects for fostering the economic growth and development of the Atlantic region of Canada.

I think the words, "fostering the economic growth and development of the Atlantic region of Canada", should be stressed because our economic growth in the Atlantic area has lagged behind the rest of Canada. In my opinion the reasons for this lag are three and may be classified as follows. First of all, in the Atlantic region there are none of the great factors which ordinarily make for economic growth or if these factors are present they are not present in a sufficient degree to provide a stimulus to our economy. Second, we have no rich natural resources or if we have them they have not yet been sufficiently explored and exploited. I think one of the chief aims of the Atlantic Development Board is to explore and exploit whatever natural resources we do have. The third reason we have lagged behind is our geographic position. We are more or less located on the periphery so far as our markets in Canada are concerned. The high cost of transporting raw materials in and finished products out puts the Atlantic area at a considerable disadvantage. Unfortunately we are shut out of some foreign markets located closer to us because of high tariffs.

I think the chairman of the Economic Council of Canada has set out very clearly the economic position of the Atlantic area and I should like to quote what he said in this regard:

For at least four decades the residents of this region have had the lowest average incomes in Canada and although they have shared in the general improvement in living standards they have not been able to improve their lagging position relative to other Canadians.

That very clearly sets forth our position in the Atlantic area today and statistics bear out that statement. In the Atlantic area unemployment has been consistently twice as high as in any other part of the country. Even today the unemployment rate, according to the latest figures of the Dominion Bureau of Statistics for the month of May, is still 5.8 per cent whereas in the prairie provinces it is 2.1 per cent. Nowhere else in Canada did the figure for the month of May reach 5.8 per cent.

The average per capita income in the Atlantic area is consistently at least one-third lower than in other provinces. I do not know

whether the committee realizes this fact, but in the Atlantic area there are 40,000 male employees earning less than \$2,000 per year and over 19,000 female employees earning less than \$2,000 per year. In other words, we have a total of almost 60,000 employees who are today earning less than \$2,000 per year, and I do not think anybody will deny that in order to maintain an adequate standard of living an individual must earn more than \$2,000 a year. The average annual wage of the people working in the Atlantic area is only \$2,752 compared with the average annual wage for Canada of \$3,679.

The hon. member who preceded me suggested that the money to be provided to the Atlantic Development Board should be divided on a basis related to contribution and that if the Atlantic provinces are not contributing their fair share to the national revenue by way of taxes they should not expect to get as much by way of assistance. In my mind that is a very fallacious argument because we in the Atlantic area are a part of Canada, and if this country is going to have an economy that will flourish it cannot expect to maintain such great inequities between sections of the country. Our growth and economic problems in the Atlantic area must be the concern of every province and must be the concern of the federal government.

As Professor Cairncross said in 1961, "the federal government must be the principal agent of policies to eliminate the lag in the economic development of the Atlantic provinces". If we do not contribute our share, and I am not suggesting we do not, the only reason is that we do not earn enough.

The figures I have quoted I am sure would indicate to hon. members that we in the Atlantic provinces on an average earn only enough to provide essential public services. I am one of the first to admit that we are very dependent upon the central government in Ottawa. In my own province of Prince Edward Island 43 per cent of the general revenue comes from Ottawa. In the province of Nova Scotia 35 per cent of its general revenue comes from the central government in Ottawa and in the province of New Brunswick 35 per cent also comes from Ottawa.

● (4:20 p.m.)

We are not ashamed of this fact because we feel that the reason the central government must contribute to us is that we do not have the opportunity of earning enough so that we can, as we would be glad to do, pay our share in income tax and other taxes to