

*The Address—Mr. Balcom*

Acting Leader of the Opposition (Mr. Rowe) and the leaders of the other parties. I should like to join them in congratulating the mover and seconder of the address in reply to the speech from the throne. I am sure the people at home must feel extremely proud of these two members.

I enter this debate because I consider that, representing as I do a large constituency and one of the two dual ridings in Canada, I should bring to the attention of hon. members the general situation as it now exists in Halifax.

Mr. Speaker, for those who want to see, there is in the speech from the throne much good material and advanced legislation. I should like to commend the proposed changes in the Unemployment Insurance Act. They will be widely acclaimed. The supplementary benefit program under which unemployment insurance is payable on easier terms in the winter months goes a long way to mitigate the effects of seasonal unemployment. This program is a desirable supplement to the ordinary unemployment insurance because of the nature of our climate and industrial development.

In Nova Scotia our primary industries, which are unavoidably subject to the weather and the seasons, are extremely important to our economy. It is unfair that the workers in such industries should bear the whole burden of the seasonal drop in employment. It is also unfair to expect the municipalities in which these industries are concentrated to pay unemployment assistance on a large scale. The federal government's contributions to the supplementary benefit fund are a most welcome "assist" to the municipalities in their welfare policies.

The government is to be congratulated for the leadership given in the efforts to lessen seasonal unemployment where this is possible. Needless to say, it is far better for people to have the opportunity to work than to have the opportunity to draw unemployment assistance; it is far better for the worker and it is less costly to the country. While the direct effect of government policy may not cover a large group of workers, it is a forward step and may well encourage action by industry on a wider scale.

Some reduction in winter unemployment is hoped for as a result of this campaign. This will benefit Nova Scotia and the other Atlantic provinces, but where the primary industries predominate there are limitations that cannot be removed by planning. The real answer lies in a greater diversification of industry; more manufacturing, which is

not affected by the seasons. This is an oft-stated objective and its achievement calls for an attack on basic factors such as problems of transportation, tariffs, marketing, and power, to name a few of the more important ones.

In this connection I should like to refer to an item which appeared in our local press last December. It was, to be sure, a rather disturbing item to Nova Scotians. The headline was "No Bank Aid to Province", referring to the province of Nova Scotia. On further perusal one learned that only two provinces, namely Nova Scotia and Prince Edward Island, did not receive any financial assistance from the industrial development bank in the year ended September 30, 1954; and that the loans made to concerns in New Brunswick and Newfoundland were negligible in total. Of the money loaned in the fiscal year just past, close to 70 per cent went to enterprises in Ontario and Quebec.

Let me hasten to say that this is not a criticism of the industrial development bank as such. What concerns me is the fact that industry in Nova Scotia and in the Atlantic provinces generally has not called upon the credit facilities of the bank for development purposes. It suggests that the development which the government hoped to encourage through this additional source of credit may not be taking place in the areas where it is most needed.

The annual report referred to marked the first decade of the bank's operations. The industrial development bank was set up in the first place because the government recognized that smaller industrial firms had difficulty in obtaining money on a medium or long-term basis to finance plant and equipment they needed either to commence or expand operations. After ten years of operation the success of the bank has been acclaimed. In expressing his views on its work Mr. Graham Towers, then governor of the Bank of Canada, used these words:

... and if you believe, as I do, that the successful evolution of new enterprises is the very backbone of sound economic growth, you will understand my satisfaction over the experience of the industrial development bank.

If the use of these loan facilities is a barometer of sound growth, where do we in the Atlantic provinces fit into the picture? Concern over the situation revealed by this and other signs has prompted the formation of the Atlantic provinces economic council. This, as some of you know, is a council initiated, organized and financed by private enterprise, business and industry, to promote the economic well-being of the Atlantic