

*Rural Development*

regard to the per capita expenditure in a province, and there should be control exercised with regard to money federally expended in the provinces and territories. In this way the federal expenditure would be spread as fairly as possible across the whole dominion.

As one form of control I would suggest a per capita limit on federal expenditure in each of these, shall I say depressed areas, where federal money is to be expended. This control could also take the form of gauging the amount that should be spent equitably in the provinces and territories. I should like to hear the minister's comments in this regard.

**Mr. Sauvé:** Mr. Chairman, this problem was discussed thoroughly at the federal-provincial conference held in Montreal at the end of November, 1964. The proposals now before the house were discussed with the provinces, and it was agreed by them that there should be no allotment and no per capita limitation, on the basis that the general ARDA agreement contained certain restrictions with regard to how much money we could spend in each province or on each kind of project. As this was a special, federal effort to try to improve standards of living and employment conditions in certain areas of Canada in which there was a concentration of low income families, it was felt there should be no restriction at all, inasmuch as the fund could be replenished when all the \$50 million had been committed.

The provinces unanimously accepted the point of view that it was the federal government's responsibility to really make an effort where it was needed. Three provinces—or, rather, two so far—are preparing projects that will be financed under Bill No. C-151. One of those provinces is Manitoba, for the Interlake region, and the other is New Brunswick. Everybody at the conference agreed that this was a fair principle if we were trying to eradicate poverty where it seemed to be concentrating. As the provinces thought this was an acceptable arrangement, I felt it was good for the whole of Canada.

**Mr. Nielsen:** You mentioned only two provinces.

**Mr. Starr:** Mr. Chairman, there is some inconsistency on the part of this government. It is not all embodied in this bill, of course.

**Mr. Churchill:** It is too short a bill.  
[Mr. Alkenbrack.]

**Mr. Starr:** I refer to the allotment of \$50 million under this bill to deal with certain depressed areas. Under the bill there is no per capita allotment to the provinces. We had this arrangement under the Technical and Vocational Training Assistance Act; yet when this government came into office they immediately changed the system and operated it on a per capita basis. If there is to be any consistency on the part of policies of the government, this measure should be put into effect in the same way as they changed the Technical and Vocational Training Assistance Act.

**Mr. Nielsen:** Which is the third province that has an agreement in this respect?

**Mr. Sauvé:** The only thing I know is that when we discussed this matter with the provinces they were agreeable to the system we have established. With regard to the Technical and Vocational Training Assistance Act, I do not know all the details of what happened with the provinces, but I know that in this case the provinces accepted this principle. Therefore as the federal minister I was satisfied to propose the same thing to this house.

**Mr. Nielsen:** Mr. Chairman, the minister mentioned Manitoba and New Brunswick as provinces which have plans under way. He said there were three provinces. Which is the other province?

**Mr. Sauvé:** In my introductory remarks I mentioned three provinces which have special areas for rural development. I also said there were areas in other provinces. More than three provinces are involved in this respect. I mentioned Alberta, Saskatchewan, Ontario, Manitoba, Nova Scotia, and there is also Newfoundland. I mentioned three areas with regard to which there had been a request for a development program, with respect to which studies are being carried out, but we do not yet have the results. One is the interlake region of Manitoba, the second is eastern Quebec and third in northern New Brunswick.

**Mr. Stewart:** Mr. Chairman, on the point that was just now before the committee, I think the view expressed by the minister in stating the position taken at the federal-provincial conference is, of course, the sound one in relation to this particular piece of legislation. The object of this legislation is to tackle the problems of rural people, and I hope we