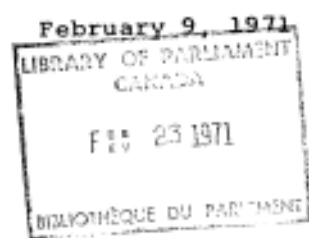


TEXT OF REMARKS
BY THE HONOURABLE R.B. HATFIELD
PREMIER OF NEW BRUNSWICK



The unemployment problem in our province has two dimensions. There is the chronic long-term problem at home -- and the current problem of high unemployment which exists throughout the country.

In New Brunswick, unemployment rates have been too high for too long. Not since 1953 has our annual average rate fallen below 6.5 per cent. During the 60's, a period of rapid national growth, the average unemployment rate was 8.4 per cent.

The long-term problem is part of the greater problem of regional disparity and it can be solved only with policies which are designed especially for each of the regions which together make up Canada. New Brunswick needs a federal approach which recognizes our special problems together with our real potentials.

Turning to the current situation we find ourselves in a time of rising unemployment to combat inflation. We did not cause inflation -- yet now we pay a disproportionate price in combating it in Canada! The cost of the trade-off between inflation and unemployment has been high -- too high.

The New Brunswick unemployment rate dropped to 6.0 per cent in 1970 from 8.5 per cent in 1969. We have no doubt that labour force data which placed New Brunswick in the unique position of contradicting the nation-wide trend was false.

Other data confirms that the New Brunswick unemployment rate was higher in 1970 than in 1969. The number of clients without employment and registered at Canada Manpower Centres averaged 24,000 in 1970, some 5 per cent above 1969 levels. The number of beneficiaries under the Unemployment Insurance Act rose 4 per cent last year. The welfare caseload of our provincial government jumped 24 per cent. To emphasize, that means 1 in 10 New Brunswickers are welfare recipients.

The fact is many workers in New Brunswick have withdrawn in despair of finding employment from the labour force. The labour force participation rate in the province declined while the Canadian rate increased in the 60's. If the provincial rate had moved in line with the national trend, and with no change in employment patterns, the unemployment rate in New Brunswick last year would have been 14 per cent. If the participation rate had reached

the Canadian level, the unemployment rate would be 19 per cent. We must -- must put a stop to such a cruel waste of the talents of our people. Only in this way shall we be able to raise incomes to an acceptable and decent level.

Where shall we find the jobs? Last year, there was a net gain of 2,000 jobs in New Brunswick. That is all! That increase was due entirely to expansion of the service industries. Our traditional primary industries, let me emphasize, provided no new job opportunities. A small gain in construction was offset by a decline in manufacturing.

There is an urgent need to get manufacturing on a growth path if job opportunities are to improve. With the provision of the right incentives the construction industry could ease the unemployment crisis. The removal of the 11 per cent Federal Sales Tax on building materials would provide necessary stimulus to construction activity. This is the time, too, for the Federal Government to ease the personal income tax to encourage consumer spending and, indirectly, investment.

At the Conference of Finance Ministers in December and of Welfare Ministers in January representatives of New Brunswick proposed Federal cash grants to provinces for public works which would have a real economic impact and a special grant for welfare purposes to be made available by the Government of Canada to all provinces with an unemployment rate above the national average.

New Brunswick has a vital interest in reviving the whole Canadian economy. It must be of concern to all parts of the country when one-half million Canadians are unemployed. New Brunswick has a double concern at this time. It is only when the national economy is operating effectively that a successful approach can be made to the solution of the regional problem. But the concern with the nation-wide short-term unemployment situation directs attention away from the long-term regional development effort.

It is essential that progress be made in both areas and that the current situation which affects the whole country not be permitted to delay, set back, or detract from our long-term regional development efforts.