

Veterans Affairs

Studies have been undertaken by the Department of Veterans Affairs itself, or on its behalf, to determine the effects of the move. They dealt with such things as communication services, housing, education, industry and the labour market on the island; in other words, on all the social aspects of the move. Because of these studies, we were able to foresee various situations and better determine the impact of the move and the services to be offered or already offered before committing ourselves in any direction. However, in the final analysis, the success and validity of these studies will be confirmed only when the move is completed. I believe that I should now explain the basic plan for the move. The Department of Veterans Affairs is planning to make the move over a certain period which is now expected to last from two to three years.

A small first group and a small operational unit are now installed on the island. Another group will move this summer, which will raise the total number of positions to 160 by September. Moreover, 30 positions will be transferred in September, 1981, and the other positions will follow over the years 1982 and 1983. Before closing, I wish to add that a central group will remain in Ottawa to help the minister in his work and to fulfil directly their responsibilities toward those people or groups which can be served only by the office of the minister. I therefore believe, Mr. Speaker, that this move of DVA headquarters to Charlottetown must be considered as a great step toward providing equal opportunities for all Canadians. This decision was not cancelled by the former government, not because it did not have time to do so, but because this decision was the best that could be made.

I am convinced that the veterans will be very well served and that the grievances mentioned by the hon. member for Leeds-Grenville (Mr. Cossitt) are unfounded. Maximum use will be made of modern communication methods, and not only will the move to Charlottetown of the main office of veterans affairs be a great step toward providing equal opportunities for all Canadians, but it will also serve the interests of the veterans, and not certain political interests, as some have suggested.

● (1740)

[English]

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, first of all I remind the House in reference to a remark made earlier that no money has been made available to Chrysler; only loan guarantees have been offered, which is quite another thing.

Because I believe a number of government offices can and should be moved to other parts of Canada, I should like to speak today on the subject of the relocation of veterans affairs headquarters to Prince Edward Island, and in particular the economic impact of this relocation on Charlottetown. The jobs moving from Ottawa to Charlottetown are grouped into a small number of independent agencies and programs, each with different but related and interlocking functions, and all

working to serve the veteran clientele. At this time I intend to deal with questions such as: what will be the economic impact of the relocation of this head office on Charlottetown; will there be a notable increase in demand for goods and services; what will be the effects from the demands of the households moving to Charlottetown; what will be the effects from the demands of this department which is going to Charlottetown?

The economic effects will be felt over two distinct periods in addition to the initial arrival of employees. There is the limited period of the construction phase, and the operating phase which will be continuous for as long as anyone can project. The economic effects in each phase will be both direct and indirect and will be the result of the demands of both the employees and their households and of the portfolio headquarters office for services and goods on the island. For the construction phase of the relocation, studies indicate that the direct impact will be in the creation of approximately 300 jobs. It is estimated that these 300 jobs will receive in the neighbourhood of \$5 million in wages and salaries for the duration of the construction period.

The total construction bill for the new veterans affairs facility is estimated at approximately \$15 million. For the purposes of studying the result of this expenditure on the economy of the island, the expenditures were allocated over a three-year period: \$2.5 million to design and prepare the site in the first year, \$10 million to the second, and \$2.5 million to the third. At the present time these expenditures are allocated to 1981, 1982, and 1983 budget years respectively. The spread of retail purchasing for construction over the three years is estimated at about \$184,000 for 1981, about \$737,000 for 1982, and \$184,000 for 1983.

Of course the construction phase is a one-time shot in the arm for the construction industry and related businesses because it will last only over the period related to the construction of the new building. However, what is more significant is for us to gauge and to prepare for the long-term, direct and indirect economic result of the operating phase of veterans affairs on the economy of Prince Edward Island and Charlottetown in particular and the effects created by the demands of the new households and the newly situated head office. Again, the direct consequence is the number of new jobs created by this phase of the relocation for which islanders will be able to compete. These jobs cover the full range of positions in the organization, from the most senior decision-making officials to service staff.

● (1750)

Some of the jobs to be filled in the veterans affairs headquarters will be filled after relocation has taken place, after the job has moved to the island. Training will take place in Charlottetown.

All key positions will be staffed before the job moves from Ottawa, and the successful candidate for the job will be trained in Ottawa.

Studies have shown that the number of people in the labour force on the island and throughout the Atlantic provinces in