

—of course, the call for reductions in expenditures would fall particularly heavily on those sectors of his area—

Of course, that meant the Atlantic provinces, and that is why on November 28 I moved a motion under Standing Order 43, the same day I had asked the question being responded to tonight, urging that the House recommend that the Minister of Regional Economic Expansion be instructed to review and monitor all federal programs that could possibly be altered in order to prevent or offset further unemployment in regions of persistently high unemployment during a period of national fiscal restraint.

That is the specific problem we are faced with tonight, on the eve of an announcement by the President of the Treasury Board (Mr. Chrétien) about substantial proposed cutbacks in federal expenditures. Will there be flexibility and will there be allowances for specific needs and very high unemployment? In my constituency unemployment is close to 20 per cent, and in other parts of the Atlantic provinces it is well over 25 per cent. These are hardship depression statistics, and ones that must be responded to.

This is not just a question from one member of the opposition in this House. As quickly as the day following the announcement by the Prime Minister, on October 14, the premier of my province is reported to have said, and I think he has stood by this since, that while he indicated morale support for the program, that support had to be qualified. He said:

—I am worried that the coming restraints on government spending will be applied uniformly, without proper recognition for the limited budgets of PEI and the other provinces in the Atlantic region. The program does not appear to be sensitive to regional disparity.

That is the motion I was trying to bring before the government, and I have tried on a number of occasions this fall. To date we know, on the basis of what the government has done or is planning to do that it is not yet sensitive to regional disparity. The premier went on to say on this occasion that:

—his government will make immediate representation to the Trudeau government seeking assurances that capital spending and investment in the "slow growth areas will keep pace with inflation."

Since we have a parliamentary secretary with us tonight who has his roots deep in the soil of the Atlantic provinces, more specifically Prince Edward Island, I am hopeful that he will be able to reflect this concern. It is of crucial importance to the credibility of the program the federal government is engaged in, and it is also of crucial importance to the credibility of this particular department the parliamentary secretary represents here tonight.

When the department was established in 1969 it was given a very clear responsibility, because for the first time we had established a federal department that was not only going to administer a program to deal with regional development, it was going to act as some kind of over-all coordinating agency to ensure that the actions taken by other departments, whether they be Public Works, Nation-

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al Defence, Supply and Services, or whatever other agency may possibly have an impact on future development of regions like the Atlantic provinces or parts of western Canada, which the parliamentary secretary knows well, would be co-ordinate and effective in this regard.

It is not enough for the minister to give me the assurance he gave me on October 28 that there would be no reduction in the program, or the assurance he gave my colleague, the hon. member for Central Nova (Mr. MacKay), on October 22. What is equally if not more important is assurance at this time that there will be effective co-ordination. The credibility of this program and the credibility of the department are very much at stake.

Mr. Cliff McIsaac (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, my hon. friend from Egmont put the case very well. I appreciate very much the sincerity of his remarks on the subject matter he has brought forward in his question.

I think the hon. member is well aware that the government's total package insofar as anti-inflation measures are concerned is distinct from what has come to be known as traditional methods of fighting inflation. For that reason I do not share the same fears he has that his part of Canada, or indeed other less advantaged areas of Canada, will necessarily suffer as a result. This certainly would be counter-productive, if you like, to our policies in this regard.

Indeed it is the Atlantic area and other similar areas that will suffer even more if we do not take action and do not bring about some control to the inflation that has been taking place. Those areas do not have the large industry, the large unions, and the powerful sectors that there are in other areas, and for that reason those areas perhaps are more susceptible to the rigours of inflation than some others. I think the figures in respect of the cost of living in Saint John and in some other cities show this is the case there more than elsewhere.

As the hon. member knows, a great deal of progress has been made since 1969 with the establishment of this particular department. I know he is well aware that my minister was recently in his province of Prince Edward Island where he signed another five-year agreement, which I think is an indication of the concern of the government in trying to ensure that that area of the country, and indeed other similar less fortunate areas, are not affected by the impact of the government's program and policies such as we are now embarking on in connection with the question of inflation, government expenditures, and the rate at which these are increasing federally, municipally and provincially, which is a factor in the sense of the inflationary pattern we have seen. I can assure my hon. friend that the points he makes are the concern of my minister and the government, and that the action we take will be taken in light of the points made by my hon. friend from Egmont.

Motion agreed to and the House adjourned at 10.29 p.m.