

Public Works (Mr. Drury) on October 28—which happens to be my birthday—concerned a story carried in the *Montreal Gazette* via the *Financial Times*. The story, under the byline of Clair Balfour, said that a special study was undertaken for the federal Department of Public Works. The story indicated that the study done for the federal Department of Public Works concluded that there was a good decade ahead for all regions of Canada but the Atlantic one.

The main predictions for the next decade as regards the Atlantic region were, first, that the Atlantic provinces will have slow population growth; second, that above normal underemployment that has constituted the normal historical pattern will still remain a major problem.

That is not saying much for DREE policies, is it?

Annual unemployment in the Atlantic region averaged 9.6 per cent during the 12 months ended last September. This, it must be understood, is not an accurate measure of the underuse of human beings as refined by labour force participation rates and discouraged workers dropping out of the labour force altogether, during the recurring downturn of the economy.

This underutilization of human labour becomes absolutely critical when the government overuses national fiscal restraint and tight money policies as it did in 1969 and 1970—the effects of which in the Atlantic provinces, and on heavy unemployment areas within it like Cape Breton, become absolutely critical in terms of human suffering and economic waste.

I have already noted in a speech to the House on October 15 that this general type of federal policy contradicts its regional policy and the effects of it, to repeat, are disastrous for the Atlantic region.

● (2210)

I plead with the Minister of Finance (Mr. Turner) not to use that strategy again in his upcoming budget and, instead of bringing in a tight money policy, to increase the narrowly defined money supply by at least 8 per cent and make any fiscal cutbacks necessary to relate to provinces with low unemployment or, if you will, full employment levels.

The study done by the federal Public Works Department is supposed to have concluded that unless off-shore oil or natural gas is found, the Atlantic provinces seem likely to be again by-passed during the decade ending in 1985. Again, alluding to the speech of October 15 on the importance of offshore oil or natural gas to the development of the Atlantic economy, I said, as recorded at page 438 of *Hansard*:

Let them—

Meaning the politicians:

—not give the people exaggerated impressions to the effect that income and employment prospects from off-shore oil exploration will make that much difference to the region.

The study done by the Department of Public Works seems to fall into this trap. I ask the department to read “The Impact on the Regional Economy of Eastern Canada Resulting from the Potential Development of Off-shore Oil and Gas”, the study done for the Department of Regional

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Economic Expansion and the Department of Energy, Mines and Resources in April, 1972.

The Public Works Department study is said to predict that the Maritime coal industry will be revived. In that connection let me assert again that a major steel complex envisaged for the Cape Breton area is a much greater prospect for doing more for income and employment in the Atlantic area than off-shore oil developments. This will take advantage of our changing comparative advantage in geographical location, which is tied to the ongoing changes in the world's transportation technology and the growing importance of deep water superports.

Everyone, Madam Speaker, should realize that there are many obstacles to overcome and trade-offs to be made if the giant steel complex is to become a reality. Recently the Minister of Finance of the Nova Scotia government was quoted as saying in New York that in this connection the Cape Breton coal mines, now owned and controlled by the federal government through Devco, may be turned over to the proposed consortium of steel buyers who would have an important interest in the steel development.

I want to emphasize this evening, with all the authority that I can muster; that such a move would be absolutely abhorrent to myself and others who have seen the results of private enterprise in the Cape Breton coal fields in the past. Indeed, I would argue that even with the likelihood of economic viability for the Cape Breton coal industry in the near future, the federal government must make sure that funds are available to Devco to create preventive health facilities against the ravages of silicosis, as well as to correct the poor housing conditions that are the ongoing result of a private enterprise company town's past legacy to that area. It should be obvious to anybody who knows of the desperate and continuing economic insecurity in that area that Devco must play a large role in helping to diversify that historic section of Canada. I again ask the minister to table that study.

Mr. Charles Turner (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, in replying to the hon. member for Cape Breton-East Richmond (Mr. Hogan), a highly respected member of the thirtieth parliament, I wish to inform him that the study to which he referred concerning the regional economy of eastern Canada has not been carried out.

I have been asked to make a statement concerning an article that appeared in the *Montreal Gazette* on Friday, October 25. This article reported, in effect, that a study carried out by the department indicated that although the economic situation looked rosy for most of Canada for the next 10 years or so, this would not likely be the situation with respect to the Maritimes, barring some major development such as the discovery of large oil or gas deposits off the east coast.

First of all, let me state that the press report is fundamentally wrong inasmuch as no study of this nature has been completed by the department. It is true that a study is being carried out, but it is one very narrowly focused on the specific question of likely long term requirements for federal office accommodation generally across Canada, and geographically. One of the techniques the department has utilized in preparing for this study is that of sampling