

job opportunities remain the same. The March unemployment figures for this year released by Statistics Canada indicate an unacceptable jobless rate of 15.4 per cent in Newfoundland, 16.2 per cent in Prince Edward Island, 9 per cent in Nova Scotia and 12.6 per cent in New Brunswick. Mr. Speaker, the figures would have been considerably higher were it not for the government's LIP program which had some small effect on the over-all situation.

The accelerated depreciation provisions of the present budget will probably stimulate manufacturing in the industrial regions of the country and, hopefully, offset to some extent the American DISC program. However, unlike Mr. Gordon's budget of 1963 and notwithstanding the assurances made in the House today by the Minister of Finance, they will have little or no impact on the designated regions of the country. For example, according to figures contained in the first report of the Atlantic Development Council, manufacturing in the Atlantic region accounted for 13.4 per cent of total employment in the Atlantic provinces whereas the figure for the whole country was approximately 23.4 per cent.

Mr. Speaker, given this fact plus the dilution of the ability of RDIA to attract industry, all present regional economic expansion policies are doing in the Atlantic region is perpetuating the existing economic structure. They should in fact be changing the structure because it has been demonstrated through the years that the structure is unable to provide jobs for the region.

Given the situation that presently exists in the designated regions and the failure of the present government policies to have any appreciable effect on it, it is difficult to reconcile the absence of any reference to regional economic expansion in the budget now before the House. The Minister of Regional Economic Expansion refused to commit the government to the ten-year targets for the Atlantic region outlined in the first report of the Atlantic Development Council. In commenting on the minister's belated reaction to the Atlantic Development Council's first report which was tabled in the House in April, 1971, APEC in their newsletter of January 1972 said:

The refusal of the minister to commit the Department of Regional Economic Expansion to the Atlantic Development Council's 1981 goals and targets for the Atlantic region is as inexplicable as it is disappointing. It calls into question once again the federal government's dedication to the long-term development of the Atlantic provinces on a planned and orderly basis and reinforces the suspicion that DREE is nothing more than a well financed giveaway program to be extended or retracted according to the economic and political exigencies of the moment.

But Mr. Speaker, the government continues to pursue a regional development policy without clearly defined goals and targets. In this respect it seems to operate in a vacuum. After all, the Atlantic Development Council is charged by statute to giving the minister advice on the operation of the program in the Atlantic provinces. To put in the words of APEC—

What is needed from DREE are specific goals and targets, benchmarks by which it may judge and be judged on its performance.

The unemployment rate of 4½ per cent for the Atlantic region, which was the target on the ten-year development strategy put forward by ADC, can hardly be described as Utopian. Nevertheless, it is a goal and one which in my

*The Budget—Mr. McGrath*

view can be achieved given the proper national economic climate. The other agency which is charged with advising the minister under the statute setting up the department, the Canadian Council on Rural Development, in its third review said:

What kind of time perspective has the department? In so far as the benefits of heightened employment and income levels in the growth centres are expected to "trickle down" and make their effect felt throughout the entire region in which the growth centre is located, how long is it anticipated the process will take?

Mr. Speaker, obviously they have refused to accept the ten-year target of the Atlantic Development Council. In face of that refusal, no alternate target or program has been put forward by the minister. The report further said:

In a modern educated democracy it is not enough that the public be told what the government had decided to do. It is essential that they also be told why.

Given the substantial funds being expended on to the DREE program both for regional development incentives and on the program for infrastructure in the designated regions, surely it follows that the government has certain obligations. Surely it is incumbent on the government to say exactly what its objective is. I believe, and this view is shared by many, that unless there is a deliberate attempt to change the existing structure in the region and the approach to regional development in the region, and provide the kinds of incentives which will change the industrial structure there, all we are doing is perpetuating the status quo.

• (2140)

The report of the Canadian Council on Rural Development, to which I just referred, was released in July, 1970. In it were the recommendations I have referred to that were made to the minister. Nevertheless, we were told a few days ago when members of CCRD appeared before the standing committee on regional development that nothing has changed in the last two years and that the government had failed to respond to their recommendations. The principal recommendations of the council are as follows.

1. The recommendations should be objectively defined and made public.

2. The economic assumptions taken into account by the department in planning should be also made a matter of public record.

Nobody really knows what the government is attempting to do. The latest unemployment figures clearly show a continuing unemployment situation. Present government policies are not having any appreciable effect on unemployment in the Atlantic provinces, in eastern Quebec or, for that matter, in other designated regions of the country. Given this fact, I find it difficult, almost impossible, to understand why the minister did not refer in his budget to the government's regional economic policies. Why did he not ease the minds of those who are concerned by indicating exactly what affect the accelerated write-off and depreciation provisions will have on the implementation of the Regional Development Incentives Act? If the debate continues, and if the Minister of Regional Economic Expansion takes part in it, I hope he will attempt to set the record straight. Until that happens, Mr. Speaker, this question will remain a matter of great concern to those of us in the Atlantic provinces who are involved in the government's regional development program.