

variations on the theme of deficit reduction and drop them at the appropriate time into Mr. Wilson's lap.

It is clear that the government has moved away from the economic philosophy which it enunciated two years ago. Nothing has replaced it except uncertainty caused by soul-searching and public disfavour. There is no alternative economic policy laid out as the government has moved away from its own main pillar of wisdom, and there is certainly nothing in the Speech from the Throne which indicates that we can make further progress in reducing the high levels of unemployment in this country.

I will admit—although I am not the first to do so, because Senator Barootes said this in his speech—that unemployment has been reduced from 11.7 per cent in 1984 to 9.7 per cent in 1986. That is all to the good, but I turn, for a brief moment, to the question of the regions and, particularly, to my own region, the Atlantic provinces. We know that in the last Speech from the Throne regional disparity and regional development got short shrift. It is now given sudden prominence in this soul-searching resulting from the mid-term blues. While taking part in a similar debate two years ago, I said:

... there has been virtually no mention of regional economic development ... there is no attempt whatsoever to identify or deal with regional development concerns. There is not a single mention of any commitment to reduce regional disparities.

Of course, Senator Murray pooh-poohed my remarks and said that a commitment to attack regional disparities "ought to be—and I trust, will be—a priority of the new government." I think that if Senator Murray did have this trust two years ago it was misplaced. The record of the last two years indicates that absolutely no priority has been given to regional disparity and that there has been no success in this endeavour. My own island of Cape Breton, never but a fragile part of the Canadian economy, is worse off now than it was two years ago. Unemployment levels in the Atlantic provinces, except for New Brunswick, were higher in August of 1986 than in August of 1984 and, honourable senators, Newfoundland has an unemployment rate of 21.1 per cent. Not even during the height of the recession did unemployment reach this level in that province. Anyone who says that the government has given priority to, and has succeeded in its battle against, regional economic disparity is making a mistake.

I read today in the press that a commission had stated that unemployment insurance has robbed the Newfoundlanders of their work ethic. Commenting on that, I say: What would destroy the work ethic more among any population than an unemployment level of 21.1 per cent? That is the real problem; not unemployment insurance. And those of us who know the people of the Atlantic provinces know perfectly well that if there are good, well-paying jobs available they will take the work. I lived that experience in all my time in the House of Commons. Give them the jobs and they will go to work. Don't talk to me about a work ethic with an unemployment rate of 21.1 per cent.

[Senator MacEachen.]

Some Hon. Senators: Hear, hear!

Senator MacEachen: Perhaps it is inappropriate in the Senate to make a political comment—

Senator Frith: Leave is granted.

Senator MacEachen:—but I cannot fail to mention the new element which the Minister of Transport introduced into the debate on regional development this past summer. When he was, presumably, questioned about development in the Atlantic provinces and when, presumably, forced to the wall in trying to defend the record of the government, he said:

It (meaning Atlantic Canada) isn't 'have not' if you compare it to Bangladesh. It's not 'have not' if you compare it to Haiti and it's certainly not 'have not' if you compare it to Jamaica.

Senator Perrault: What a statement to make.

Senator MacEachen: I regard that as an intemperate comment, which gives me the opportunity of saying that the aspiration of the people of Atlantic Canada is not to equal the standard of living in other countries such as Bangladesh, Haiti, Jamaica, West Germany, the United Kingdom or the United States. The ambition is to emulate the standard of living of other Canadians, to which we are entitled.

Some Hon. Senators: Hear, hear!

Senator MacEachen: When Senator Barootes talks about the distinct improvement in unemployment levels in Canada, he must know that it has principally taken place in Ontario and, probably, Quebec. It is my view that the citizens of Atlantic Canada are entitled to seek, to aspire to and to be helped to have that same standard of living. No one should say, "Well, take a look at Bangladesh," or "Take a look at Haiti," or "Take a look at Jamaica."

• (1500)

The government has indicated in the Speech from the Throne that it will establish something called the Atlantic Canada Opportunities Agency, the purpose of which will be "to facilitate and coordinate all federal development initiatives in the area." I must say that I am not convinced that this is much of a step. What is required is not coordination and facilitation. What is required is public expenditure and public support. Indeed, no new development initiatives are mentioned by the government, although it is said that spending money by itself has not solved the problem. I agree that the problem is not solved. But, in certain circumstances, spending money from the public sector is essential in the Atlantic provinces. If it is all left to the private market mechanism, economic development will take place where it has taken place in the last two years—namely, in southern Ontario—and the Atlantic provinces will languish in high levels of unemployment. That is the reality of our situation. The government now seems to be understanding that if the regions are to prosper—not prosper but, rather, to pick themselves up out of the recession—they will need greater and greater support from the Government of Canada.