

Alleged Failure to Improve Economy

national figure in respect of average unemployment was 8.4 per cent while, in the Atlantic region in those two months, it was 15.1 per cent compared to 10.6 per cent today. Thus, in the early months of 1963 unemployment in the Atlantic region exceeded the figure for Canada as a whole by some 80 per cent.

This compares with a disparity today of about 31 per cent. I have not used the worst years for the comparison from the point of view of Atlantic unemployment. To do this I would have to go back to 1957 when the national figure was 9.4 per cent and the Atlantic provinces figure was 16.7 per cent. So, in spite of the seriously high unemployment in Canada today, I think I can say the figures for the Atlantic region are about as good as they have ever been in respect of the question of disparities. They are high. No one accepts them as adequate. However, we have high hopes of reducing that disparity further. If one looks at the DBS figures one will see that the unemployment on the average in those two months—and we are using them as an example—this year has been held to the figure it has been for the previous two years. It has not flared out with the mounting unemployment in Canada. As I say, I do not want to exaggerate the achievement, but I believe some of the improved experience should be attributed to this department. Thus, in a resolution of the kind before us I think the opposition does no good to tell the people of Canada that this program is accentuating disparities and is failing in the task of bringing regional development to Canada's slow-growth regions.

● (5:20 p.m.)

Let me refer now to some of the ways in which this department is going about the task of trying to reduce disparities. One of the two principal methods—and I want to say that there are far more than two principal methods being employed—is the Regional Development Incentives Act. Under this act and program the department responds to applicants who have feasible projects in designated regions across Canada. What have been some of the results in the less than two years that the Regional Development Incentives Act has been in use? Something in the order of 450 offers have been made and accepted by companies in slow growth regions. The total capital investment associated with these offers is in the order of \$580 million, and this significant investment is in regions which otherwise would not have had this investment without this program. The expected job creation is in the order of 21,000 persons directly employed in these assisted industries when in fact they come into full production. This is only the beginning of the program period. The incentive offers that have been made are in the order of \$126 million.

Where has that effort been lodged? Roughly one quarter of the total activity has taken place in the Atlantic region. I think that is a significant fact. Approximately one quarter of the total new capital investment is in the Atlantic region, about 21 per cent of the new employment is expected to be there, and about 29 per cent of the incentives have been offered in that region and accepted. In the Atlantic region, where those persisting

disparities have existed for so long, the weight of aid on a per capita basis is at least two times heavier—the extent of per capita aid is at least twice as great as it is in any other region in Canada. In several regions it is many times greater than that. So there is a specific, massive and directed effort to help reduce those disparities, and when we look at the unemployment statistics, I think they demonstrate that some success is already coming in response to this program.

When the program began, all of us recognized that it would take at least a decade to reverse trends that have been entrenched for a century. I come back to my point that to state in a resolution challenging the government's economic policies that disparities have been accentuated is at great variance with the facts. In the province of Quebec where unemployment is high and where disparities have persisted, approximately 40 per cent of the activity of the industrial incentives program has taken place. On a per capita basis this is well below the activity generated in the Atlantic region. In the three Prairie provinces, about 25 per cent of the activity under these incentive grants has taken place; 25 per cent of the offers, 24.8 per cent of the total capital investment, about 20 per cent of the new employment, and 21 per cent of the incentive grants. The remaining 10 per cent has gone to Ontario and British Columbia. I suggest that the program, although only in its beginning stages, is making solid progress.

The spokesman for the New Democratic Party said that this is unplanned, that grants go to big companies and to those who do not need them. That also is misleading. The grants go to companies that apply. Hundreds of those companies have been small companies, and the grant is given to them all not because they are big or small but rather to induce them to settle in the slow growth regions. This conforms to the mandate of the department, to induce and help them to overcome regional disadvantages. The grant is calculated as finely as we can, using the best judgment we can. This grant is no greater nor any less than would be necessary to overcome the disadvantage of settling in Halifax as compared with, say, Toronto or any other location.

I think the results here show that there has been a very excellent response. There is much more to come. In connection with size, let me point out the following: Is it a failure of regional development to have assisted at Vauxhall, Alberta a granulated potato plant, thus increasing jobs by 75, in the very province of the hon. member who moved the resolution? Is it a failure of regional development to have encouraged the Boeing Company of Canada to create 130 jobs in Winnipeg, or for a photo chemical products plant to establish in Steinbach, Manitoba, thus creating 100 jobs? Those are technically based industries that might not have gone there otherwise. Is it a failure of the program that in Granby, B.C., there is a small company manufacturing wigs with 12 jobs; or an electrolytic zinc plant in Ontario with 360 jobs, or a clay brick plant in Villeneuve, Quebec, with 65 jobs, a sheet glass plant in Becancour with 260 jobs, a clothing factory in Saskatchewan with 40 jobs, a fish

[Mr. O'Connell.]