

the case of Prince Edward Island that council is chaired by Mr. Doug Johnston.

Based upon the input of all departments, based upon the input of local chambers of commerce, business communities and labour representatives, and based upon what we know about provincial economic development priorities, the economic development co-ordinator brings forward to me, as the Minister responsible in this case, an economic development perspective for the Province of Prince Edward Island. That is the case for every province in the country. The regional ministers responsible and members of Cabinet then have an opportunity to review that economic development perspective and to select the priorities in which various departments should be participating with respect to the economic development of a particular province. Thereafter we sit down—the departmental ministers responsible for areas which are of a clear priority and I—to determine what the provinces see as their priorities.

I am happy to say that in the case of negotiations with each of the provinces, there has been compatibility of economic objectives in nearly every instance. The whole thrust of the new reorganization is to permit both levels of government to move forward with complementary packages of economic development proposals; in other words, less of the so-called cost-sharing arrangements and more joint planning as well as parallel delivery. That has been the approach.

The presence of our economic development co-ordinators and the economic and regional development agreements which grow out of the economic development perspectives of course is key to the process. In other words, instead of backing off from regional development, we have opened up full throttle on regional development by bringing the entire resources of the Government of Canada, through the economic and regional development committee, to bear in terms of regional development itself. Apropos of that, I might say that what one sees in terms of what may come out of the regional fund for a particular province—and as I said, the historic spending levels will be maintained—is but the tip of the iceberg as to what the federal Government may be spending in a particular province through various line departments.

Let us not look simply at the regional fund. Let us look at other initiatives. In the case of Prince Edward Island I mentioned only two this morning. First I mentioned decentralization, which of course goes back some years. Also I mentioned the veterinary college and the \$18.5 million. That is not figured into the calculation of the regional fund; that comes out of the special recovery capital projects program, the \$2.4 billion allocated to capital projects across the country.

I did not mention the various small craft programs in Prince Edward Island. We have one at Graham's Pond for \$1.9 million; Launching Pond for \$1 million; Naufrage for \$1.2 million; North Lake for \$1.5 million; and the list goes on.

Mr. Forrestall: Whose ridings are they in?

Supply

Mr. Johnston: I could do the same thing with respect to Dartmouth-Halifax East, if the Hon. Member would like me to.

Mr. Forrestall: Don't bring that porkbarreling stuff on to the floor of this Chamber.

Mr. Johnston: I believe there will be an opportunity for questions at the end of my remarks, Mr. Speaker.

Mr. Deputy Speaker: Order, please. There is a period provided for questions and comments. The Hon. Minister has the floor to make a speech.

Mr. Johnston: Mr. Speaker, in view of the fact that I only have three minutes remaining, I would like to close with a few general remarks, leaving the specifics with respect to funding levels and other initiatives which have been taken to my colleagues who will be speaking today.

All Hon. Members should bear in mind that Canada is the sum of all the regions and it is represented by the Government of Canada. It is not a government for Ontario and Quebec; it is a government for Canada.

The establishment of the Department of Regional Economic Expansion was a very creative initiative. It was established to address this heartland-hinterland syndrome. It was a specific department with a specific fund to address infrastructure requirements, primarily of disadvantaged regions. That was done. As I said, I suspect that department enjoyed a fair degree of support from many Members on both sides of the House because of the initiatives which were undertaken.

However, is it right in the long term, once that infrastructure is in place, to say that there will be a department responsible for economic and regional development in the regions and to ask what are the responsibilities or mandates of the other departments? Of course it is not right. That department had a mandate and it was carried out. The time has come to ensure that the full complement of government departments is sensitive to, and plan for, all regions of Canada. That is what has happened, and it is the thrust which must be maintained and pushed forward. In the past departments have often been criticized for not being sensitive. Regional offices have said: "Well, that is DREE's problem, go and talk to DREE about that". This reorganization is attempting to bring all departments into a more coherent system, all with regional sensitivity. I suggest that that is being accomplished. Far from backing off from regional development, it is an initiative designed to move regional development forward further and faster than in the past.

Mr. McMillan: Mr. Speaker, could the Hon. Minister reconcile for the House his claim that the Government has not back-tracked from its commitment to regional economic development with two facts. First, in 1971-72 regional development expenditures constituted 1.8 per cent of the total federal budget. That percentage has gone down steadily ever since, to the point in 1983-84 where it is only .6 per cent. Second, and since he stressed the line departments, the Government has