

*Proceedings on Adjournment Motion*

Douglas) raised a somewhat similar question on October 26 he received an answer from the Parliamentary Secretary to the Secretary of State which provided little information. Indeed, it contained a very disturbing comment in the final sentence when the parliamentary secretary said that "no such changes, however, are contemplated at the moment".

• (10:20 p.m.)

This is an incredible position to be in, with the material that has been on the minister's desk, some of it for months. To be willing to suggest to a third person or intermediary that there were no changes contemplated is completely and totally shocking. For the life of me I cannot understand how this minister believes he can continue to ignore public and responsible criticism from the three bodies I have just mentioned. We need answers because some basic questions have been raised. These are basic questions about a chief and major program of this department, that of designating areas for special incentive grants. This is a program that has grown like Topsy.

Originally we were told that parts of the country would be designated as special areas where there was a chronic situation of under-employment or unemployment of a long-term nature which could be described as regional disparity. Yet as the department has carried on—and it has not had a long life,—we have learned from time to time that new districts have been added, the latest and most major of which was a good deal of the city of Montreal. It is interesting to note that since Montreal has been designated some independent studies have indicated a drop in the proportionate grants to other designated regions across the country.

Some things have been admitted recently by the minister, I suppose by way of some kind of self-serving statements and not by way of clarification. We know, for instance, that in the two years the grants program has been operating, some 5,500 jobs have been created in the Atlantic region. But there are many things we have not been told. We have never really been told what kind of guidelines are in operation for the allocation of these grants. In fact, when we debated the establishment of this department and the program we were continually told that in order for the program to function effectively there had to be the widest possible latitude given the minister and the new department.

Members of this House on all sides, even though they were well aware of the pressures which would exist in respect of the multimillion dollar program, were willing to give the minister some leeway, with the somewhat naïve belief that the minister would eventually describe to this House and to the people of this country what guidelines were in fact operating. It has been in operation for two years and we have not yet heard what those guidelines are, what industrial structures have been favoured in the Atlantic provinces, Quebec, Ontario and western Canada what firms are succeeding and why, and what funds are helping and why.

Except for the occasional question put in the House in respect of a specific industry that involves an obvious and flagrant misuse of government funds, we are never really told what the situation is in respect of the firms that qualify for assistance or how these funds are used in the

[Mr. MacDonald (Egmont).]

way of industrial development. We know there has been no public evaluation but we know that some 5,500 jobs have been created in the Atlantic region. We know, as well, that during the same period the unemployment figure has been sometimes more and sometimes less than 65,000, so if we measure success against those who are unemployed in the Atlantic region we are talking about 3 per cent or 4 per cent, and one cannot get very enthusiastic about that kind of result.

Many suggestions have been made, too numerous to mention this evening in the brief time available, about over-centralization and the lack of consultation not only with provincial authorities but with municipal authorities, about the need for more information and a review of the spending program in relation to job creating industries, the spending on infrastructure and the need for monitor industries to see that the jobs that were supposed to be created are still there at a specific time period, and to see what happens to the public money given to those industries. We have had no response, or the only response we have had is what I would call corridor blackmail. Outside the chamber the minister has said if we do not like his program the government will simply stop it. That is the meanest form of response to provinces and areas which are greatly in need of finding the answer to their chronic problems of unemployment and under-employment.

The time has come to end that kind of corridor blackmail and non-response by this minister and this government. One hopes that in the immediate future we will have some public evaluation, some public response to the legitimate and responsible suggestions and criticisms that have been put forward, and in particular some response to the minister's own body, the Atlantic Development Council, which some months ago placed before the minister a strategy for the Atlantic region from which we have had no definite response and which we must have if we are to be informed on what this department plans to do with regard to economic expansion in the Atlantic region.

**Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State):** I am pleased to reply on behalf of the minister. I will deal specifically with the report of the Atlantic Provinces Economic Council and not the rather exaggerated and political remarks made by the hon. member for Egmont (Mr. MacDonald).

As I pointed out on Tuesday last to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), the report has been received and is being given careful study. We pointed out on Tuesday that it contains a number of useful suggestions, information and analysis, and in so far as that material is there it will be studied carefully. I also pointed out that in the view of the department the report contained a number of criticisms of the departmental program, some of which criticism is constructive but some of which seems to be based on misconceptions. Because of this I would like to make one or two comments about the report.

APEC suggests that for a variety of political and short-term reasons the department watered down the objectives and the criteria for the expenditure of scarce funds, to the disadvantage of the Atlantic provinces. I reject this suggestion. The departmental budget increased from \$120 million in 1968-69 to \$333 million in 1971-72, excluding