

Adjournment Debate

● (2220)

In response to both questions, ministers of the Crown were content merely to say to me and to the House, and through the House to the people of Prince Edward Island, that the government of P.E.I. was laying off more public employees than could be attributed to the signing of the third phase of the P.E.I. Comprehensive Development Plan. I wish to set the record straight in the few moments I have at my disposal.

First, much of the problem stems from the fact that the Prince Edward Island Comprehensive Development Plan has not been wildly successful. The 15-year program was inaugurated in 1969 with great fanfare by the provincial government of the day. It was touted as the blueprint for a complete revitalization of the economy of Prince Edward Island. Hope was held out that at the end of the 15-year multimillion dollar program our island province would be so self-sufficient that it alone, without continued infusions of federal government money, could sustain the hundreds of public employees recruited under the plan. But the opposite has happened. Although the plan did produce some successes, P.E.I. is now just as dependent on the federal government as when the plan was inaugurated 12 years ago. With the development plan currently coming to an end, the day of reckoning is near. Since the federal government is backing away from shared-cost programs, not just in Prince Edward Island but right across the country, in favour of services delivered directly by the federal government rather than through the provinces, my question is, will provincial public employees be a thing of the past in Prince Edward Island in three years' time when the program comes to an end? Certainly, the current trend suggests that such an outcome is indeed possible.

In the area of agriculture, for example, the relevant provincial department expected to receive more than \$8 million in each of the three remaining years of the development plan, for a total of about \$25 million. As it turned out, the federal government decided to spend \$7.6 million of the total amount in the province on a direct delivery basis rather than through the provincial Department of Agriculture. Thus the P.E.I. government, in that one department alone—and I mention it as an example only—will be receiving \$17.6 million instead of \$25 million. Consequently, in the Department of Agriculture the staff has had to be slashed by 60 employees, roughly half of the total number. Other departments, covering a broad range of programs and services, have similarly been affected by the federal government's decision to direct deliver services, rather than to participate with the province on a shared-cost basis, with P.E.I. handling the delivery.

Indeed, of the \$90 million which the federal government will contribute over a three-year period in the third and final phase of the P.E.I. Comprehensive Development Plan, almost \$40 million—I think it is \$39 million plus—will be spent on programs that effectively exclude the provincial government as

far as administration and delivery are concerned. Is it any wonder then that the province has been forced to lay off the public employees who have been laid off?

I urge the federal government, in the strongest terms possible, to rethink the way in which it plans to administer federal expenditures on Prince Edward Island and in other areas of the country. At the very least, in P.E.I., every possible step should be taken by the federal government to recruit any provincial public employee laid off because of the recently signed third phase of the development plan. Presumably, if the federal government persists in controlling programs formerly administered by the provincial government, more federal government employees will have to be hired on Prince Edward Island. Surely, when hiring, the federal government should give priority to those people whose competence has already been demonstrated by years of service at the provincial level.

In conclusion, may I note that the Minister of Veterans Affairs (Mr. Campbell) is here, and no doubt he will want to respond to my observations. I invite him and urge him to join me and other islanders in putting pressure on the federal government to bring wisdom to bear on this issue.

● (2225)

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I find this question slightly unusual in that it is being debated in the House of Commons because it is probably the first occasion on which the federal government has been asked to determine the staffing patterns for a provincial government in this country. Of course, the reason is given that, as a result of changes in the funding and delivery of development programs in the province of Prince Edward Island, 161 employees have been directly affected.

I think it is fair to say that there is no question that the decision by the Government of Canada to direct deliver a number of programs has had an impact upon provincial government jobs. It has had an impact to the extent of 40 to 50 jobs. It is also clearly understood, not only by the government of which I was a member but also by the present government, that funding and cost-shares for salaries would gradually diminish over a period of time. In fact, during my period as minister of finance, we did absorb a sizeable number of the 350 employees whose salaries were no longer cost-sharable under the federal plan.

The interesting part about the situation which we presently face is that many of the employees whose positions have been abolished as a result of the decision made a week ago Friday, are positions which were never cost-shared under the development plan. We never cost-shared, for example, the artificial inseminators in agriculture. We never cost-shared the plumbing inspectors in the department of municipal affairs. These were clearly employees whose functions and salaries were paid for totally out of the budget of the provincial government.