

*Employment Incentive Programs*

not clear whether he was referring to operations under the Department of Industry, Trade and Commerce or under the Department of Regional Economic Expansion.

He contended, for instance, that British Columbia did not receive its fair percentage of grants in comparison to levels of unemployment. In so far as he was referring to the Department of Regional Economic Expansion, I put to him that the functions of the department in an incentive program are not simply to combat immediate problems of unemployment. Unemployment is certainly an important factor which we look at in designing our programs. However, there are many other factors which are also important in designing those programs. For instance, there is the extent of investment in an area or province or the per capita level of income in a province. British Columbia, on a per capita basis, is the third richest province in Canada. The fact of that relative wealth must be taken into account when considering where regional development incentives should be concentrated.

I should like to spend some time this evening discussing the comments of the hon. member for St. John's East (Mr. McGrath) who has had a long and continuing interest in the activities and programs of the Department of Regional Economic Expansion. In the first part of my remarks you will understand, Mr. Speaker, if I reply to some of the charges he has made. The first was that the minister made no attempt to respond to the criticisms of the department's program. In fact the minister appeared, and so did his departmental officials, at a multiplicity of hearings of the standing committee dealing with this subject.

The committee met 14 times, with a variety of appearances by senior officials and by the minister. Indeed, the committee met so often and the minister met with it so often that the hon. member for St. John's East himself complained that the committee might as well cease its hearings, since the subject had been lengthily covered.

The hon. member for St. John's East contended the government has created record unemployment. No economy in an industrially developed country has a better record in the creation of jobs than Canada over the past four years. It is true that we have high levels of unemployment. However, these are not the result of immediate government policies but are a reflection of structural problems in the Canadian economy, particularly the problem of the very high rate of entry of young people, and increasingly of married women, into the labour force. Indeed, if you look at the job creation side of the Canadian economy, one would have to conclude that the government has done a good job.

But there is perhaps a more fundamental objection to that comment by the hon. member for St. John's East. It is basically this. The problems of regional development, the disparities in regional development in this country have been with us now for something over a century. The activities of the Department of Regional Economic Expansion were not constructed in the belief that we could, through a magic wand, somehow overcome immediately these deep-seated, long-term disparities. The minister has often said he believed it would take perhaps up to 15 years before we could determine whether or not we were having a fundamental, significant impact on the removal of economic disparities in this country.

[Mr. Roberts.]

The charge that the Department of Regional Economic Expansion has been operating for three years and that its programs have been a failure is a misunderstanding and a misapprehension of the nature of our approach to the structural problems of regional development. We have never contended that we could, through the immediate application of our programs, raise almost overnight the Atlantic region, from which the hon. member comes, to the level of Ontario or some of our other more developed provinces. We recognize that this is a long-term struggle and is not one which can be solved overnight, not even in these short years.

• (2010)

The hon. member spoke a great deal about what he calls the Dr. Springate thesis. He referred to the brief presented to the regional development committee by Dr. Springate of the University of Tennessee. The conclusions of a study are only as good as its methodology. Dr. Springate himself, volunteered to the committee that he was not satisfied with the methodological base on which his study was made. It was simply too small. The subject groupings were too small and the interview technique was too imprecise. The amount of information he was able to collect was done on the basis of subjective interviews. He made no attempt to cross-check them with objective information that was available. All of this Dr. Springate clearly admitted.

Dr. Springate commented, as did Dr. Brewis who appeared with him before the committee, that he was dismayed with the kind of political use being made of the findings of his thesis. In effect, Dr. Springate's thesis is as valuable to us as a colour landscape painted by a colour-blind man. It indicates some shadowy areas where further study could be usefully carried out. It shows some patches which could be examined in more detail, and more rigorously, than Dr. Springate had time to do. For the hon. member for St. John's East to use this academic document as a universal condemnation is a disservice both to Dr. Springate and to the programs of the department.

The hon. member for St. John's East raised one main point of criticism of the department. He suggested that various groups such as the Atlantic Development Council and the Atlantic Provinces Economic Council had been critical of the department's programs. It is true that on occasion they have been critical of some of the operations we have undertaken. However, in many ways they have expressed their approval for the principles of what we have been doing. They have also suggested ways in which we could improve our activities. Their support for the program is well known, as indeed the hon. member for St. John's East admitted when he said he felt that the concept of the department was a good one.

The hon. member suggested that the incentive areas were spread too thinly across Canada. I can understand that one might reach this conclusion if one simply looks at a map and regards the coloured areas as areas which are eligible for regional development incentives. But we do not simply concentrate on a geographic base in terms of square miles. We concentrate on areas where there are problems of deep-seated economic disadvantage. In fact, a very large degree of our efforts have been undertaken in the Atlantic provinces.