

Regional Unemployment

tion, have committed themselves to that basic principle. Unlike the government opposite, ours is a serious commitment to the comprehensive and total eradication of regional disparity across Canada. Under a Progressive Conservative budget, the have-not regions of Quebec and Atlantic Canada would today have such things as a tax rebate of 75 per cent for small businessmen investing in research and development; special tax rebates on inventory valuation for corporations investing there; long-term tax contracts for new industry, negotiated on a basis similar to the present incentive grants but which would be of much larger value to those industries—say until 150 per cent of their original investment is recovered; and a thorough examination of the priorities in capital spending of all departments in order to shift funding for labour-intensive projects to eastern areas now in the grip of a major unemployment crisis.

I believe these measures alone would have meant a significant improvement in the job and investment outlook for Quebec and for each Atlantic province. But they are by no means all we are prepared to do in order to demonstrate our total commitment to strong regional economies in eastern Canada as equal partners in the Canadian national economy. We would give immediate consideration to a range of policies designed not just to cover up the problem or give some kind of slapdash, band-aid approach as seems to be favoured as recently as this afternoon by the government House leader in his comments on unemployment, but we would get at the complex structural roots of disparity.

We would give tax incentives to companies in industrialized areas to enable them to participate in investment funds aimed at bringing new, modern, high-growth industrial systems to areas which are poorly developed, particularly in the province of Quebec which is going to need some major assistance in order to upgrade aspects of its industrial structure which is not now operating efficiently and cannot provide the jobs so badly needed. We would look at the real possibilities for co-ordinated support for critical areas in transport and energy. I know this will be dealt with later this afternoon when my colleagues from other provinces speak.

The Minister for Regional Economic Expansion sits almost alone. He seems to be caught by a problem that has engulfed this government with respect to dealing with regional disparity. It now seems to be suffering from a heavy dose of tunnel-vision. When the problem becomes one of regional development, the answer comes from one department after another, "Let Marcel do it." I have some sympathy for the minister because I think he is faced with an impossible task.

The minister has been asked by the government to address the fundamental problems of a number of provinces—particularly, today, the five eastern provinces to which we are addressing our attention—while his colleagues attend to their particular programs and projects. It may be because of the Minister of Transport (Mr. Lang) with his nefarious "user pay" schemes, or the tariff policies of this government that can only be described as "loser pay" schemes. The minister tries to pick up the pieces after the initial and basic damage is done by his cabinet colleagues. He is in the unenviable position of

[Mr. MacDonald (Egmont).]

trying to bolt the stable door after the horses have gone, after the economic damage has been wreaked on at least five eastern provinces.

I hope we might be able to give the minister some assistance today when we deal with the specifics of an adequate and effective policy for the government. I hope he will be able to go to his cabinet colleagues and say, "You have to co-operate with me and listen when I tell you that particular energy policies, tariff policies, budgetary programs, or whatever, are going to widen the gap and make the chronic unemployment situation more serious in several regions of Canada." Perhaps the minister will find enough courage today to do this.

When we drafted this motion, Mr. Speaker, we wanted to be of real assistance to the minister and any other members on the government side who are willing to recognize the seriousness of the situation. Since the early 1970s at least, there has been a declining commitment by this government with respect to the alleviation of regional disparities. The government has virtually abandoned its commitment to develop strong regional economies, and there is no effective co-ordination or support expressed in the day to day performance of programs.

Unless concerted action is taken now we will still be standing here in months to come talking about an even more serious situation. If the Minister of Finance is correct in his budget, then nothing adequate or effective will be done about unemployment and the increase of some 70,000 unemployed that took place over the last year in the five eastern provinces will become even worse in the next 12 months. That is not a situation which the Minister of Regional Economic Expansion or any of his colleagues who are genuinely concerned about the situation want to face. That is why we urge the minister and his colleagues to take more seriously the representations being made today and promise this House that they will mend their ways and effectively deal with the serious and lamentable situation in the five eastern provinces.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I begin by saying that of course we support the basic principle enunciated in this motion. We have been talking about the tragedy of mass unemployment for at least the last 15 months in this parliament. I found it interesting that on the first opportunity, the day after Mr. Justice Berger tabled his tremendously important report on the question of whether we should proceed in the near future with a pipeline down the Mackenzie Valley, the official opposition chose to discuss, instead, the question of unemployment, particularly in the Atlantic provinces and Quebec.

This is a tremendously important question, Mr. Speaker. According to Statistics Canada we have the highest number of unemployed and the highest rate of unemployment that Canada has experienced since they began keeping figures. In April 1977, 914,000 people were unemployed—an increase of 145,000 over the same month last year. That figure demonstrates clearly and conclusively how wrong the Minister of Finance (Mr. Macdonald) was in his forecasts in the last two budgets, and how wrong was the proposal he put forward in those two budgets to deal with the problem.