

Measures to Improve Economy

of this party to the effect that the government of Canada had to adopt a flexible fiscal and monetary policy if economic disparity were to be overcome. I have been saying this for years. Anyone who has ever spoken on behalf of the Atlantic provinces has been saying this for years. Yet the Minister of Finance comes before the House this afternoon and suggests that this is something new. Certainly we are saying that there must be flexibility; but I must also say in passing that to talk of economic benefits in the present circumstances is rather abstract at best, because under this government there are not many benefits to count, only costs. In any case, the economists of the Atlantic provinces, and in particular the advisory council that the government established, have been and still are pressing the government to draw the necessary conclusions from this regrettable but real state of affairs. I repeat that it is not so much a question of money as of making a co-ordinating effort.

We are in the position where the chairman of that council is seeking an answer from the government, and is really suggesting that the government should be prodded into providing such an answer. Surely, there must be long-range policies to help boost the economies of the less favoured regions of Canada; but these advisers are also suggesting that the government should take an urgent look at the possibility of applying sensitive policies in a co-ordinated way to give a boost to these economies. I think that that suggestion must be considered closely and urgently, and I think that an answer from the Minister of Regional Economic Expansion to Professor Smith and his colleagues on the advisory council of the Atlantic provinces is long overdue and must be forthcoming.

I may say that it is not enough for the Prime Minister casually to say, as he did the other day, that really 3 per cent unemployment is impossible to achieve in this country because this would mean a rate of one per cent unemployment in Ontario to compensate for a 5 per cent rate in some other provinces. That is not a policy; that is an absence of policy. That constitutes simply a retreat in confusion all along the line. Those words tell us that this government has no confidence in its own policies that are supposedly designed to help eliminate regional disparities and to reduce high rates of unemployment in areas of the country where economic growth is slow.

Mr. Douglas: Five per cent is lower than the present rate.

Mr. Stanfield: Yes, it is lower; it would almost be Utopia by comparison. In short, for the Prime Minister to talk in this way is an admission of failure that is as serious as the incredible position taken the other day by the Minister of Regional Economic Expansion. Each in his own way, one casually and the other with great protestations of success in the implementation of his policies, is telling us that this government has little or nothing to offer in the development of effective regional economic policies.

I want to emphasize a point that I have been emphasizing for the past year, and that is that you cannot successfully attack economic disparity in the Atlantic provinces, in Quebec or in other areas of slow growth as long as

[Mr. Stanfield.]

there is massive unemployment across the country. You can pour all the money you like into areas of slow growth, but it will just not develop any momentum unless the economy of the country is moving forward generally at a satisfactory rate. Let me repeat what I said many times in and outside this House, namely that one of the most effective measures that the government could take to help areas of slow growth is to get the economy of the whole country on a healthy basis and moving forward satisfactorily. There is no conflict in this respect, at this time at least.

I see the President of the Treasury Board (Mr. Drury) smiling. I would have thought it would have been obvious to him because this point has been raised by many others as well as by me. As long ago as 1960, Professor Alec Cairncross, who came over to Canada to do a study for the Atlantic Provinces, said that the Atlantic provinces could only move forward economically on the basis of a satisfactorily expanding economy in Canada.

Mr. Drury: Would the hon. gentleman permit a question? I have listened with great interest to his remarks in connection with the general proposition that the *sine qua non* of helping the disadvantaged areas is to get the general economy moving forward. However, I suggest this is not the only thing required by a long way.

Mr. Stanfield: Is the hon. gentleman asking a question or making a speech?

Mr. Drury: Earlier the hon. gentleman made reference to the fact—as I had experienced with wage negotiations—that wage disparity between British Columbia and Nova Scotia was increasing, and perhaps this is one of the consequences of moving the economy forward, even at a slow pace. I would ask him how he reconciles these two propositions.

Mr. Stanfield: Mr. Speaker, I lost the minister a long time ago I must admit. Surely, the hon. gentleman is not going to accuse me of thinking that special measures to help areas of slow growth are of no importance. He was hardly in his seat following the change of government in 1963 when I and a lot of other people were at his door urging the government to adopt special measures to stimulate the economy of the Atlantic provinces.

Mr. Laing: The mistake you made was in thinking he was smiling. He looks like that all the time.

Mr. Deputy Speaker: Order. The Leader of the Opposition may complete his reply, but I suggest it does not help to have interjections once he has answered the question.

Mr. Stanfield: Mr. Speaker, I will conclude fairly shortly now. I want to remind the House of what I was trying to explain to the President of the Treasury Board something which I think he really understands, namely that in addition to incentives, encouragement and development of the infrastructure of areas of slow growth, these areas are only going to move forward when we have a healthy economy in the whole of Canada. That is why I suggest it is urgent for the country, and especially those parts that