

Mr. Johnston: I saw the Hon. Member for St. John's West (Mr. Crosbie) squirming in his seat at the description of conservatism given by the Hon. Member for Hillsborough (Mr. McMillan). I must say that it is appropriate and rather ironic that the Member for Hillsborough would lead off a debate criticizing the federal Government with respect to its regional economic initiatives. I am surprised, in fact, that he has been able to make some of those tongue-in-cheek comments about the federal Government's participation in Prince Edward Island without blushing. Perhaps he will blush at some of the items which I will bring to his attention.

Only a few short days ago the sod turning for the veterinary college took place in the riding of the Hon. Member for Hillsborough. That is one of the most significant of the special recovery projects and it has been debated by the maritime Premiers for some years as to location. The cost of the project is \$18.5 million.

He reminded us of the tremendous contribution which the Government has made through its decentralization proposals. One of the most significant of the decentralization moves has been the transfer of the Department of Veterans Affairs to Prince Edward Island. In fact, Mr. Speaker, I would say that of all the decentralization projects, with regard to the impact which they may have had on a particular community as that particular move to Prince Edward Island.

It is true that the Hon. Member has criticized the departments of the Government over the debate as to location. Surely that is a rather curious way of trying to undermine the validity of the efforts of the federal Government with respect to economic development on the Island itself. In fact, Prince Edward Island has benefited very substantially over the years from the initiatives of the Government.

● (1140)

I should point out to the Hon. Member when he starts citing figures that I am currently at the point of signing an economic and regional development agreement, which is one of the new series of agreements, with Premier Lee of Prince Edward Island. Premier Lee knows and the Hon. Member for Hillsborough knows that that agreement will maintain the historic funding levels from the regional fund with respect to Prince Edward Island. I will continue in a moment to describe the new arrangements and why they are in fact substantially better than the arrangements which existed in the past.

However, with respect to the regional fund itself which still exists, Prince Edward Island continues to have its fair share. I should also point out for the benefit of Members in the House something else which they probably know. When any of these subsidiary agreements are entered into under a general development agreement as in the past or by economic and regional development agreements in the future, it is clear that the cash flow tends to rise slowly at the outset, peak with respect to particular projects or agreements and then decline. Any decline in spending in any of the regions of Canada—I might say the pattern is consistent—is simply a natural result of the flow of funds with respect to projects and programs

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undertaken according to these subsidiary agreements. Clearly this will vary from agreement to agreement but it is transparently misrepresentative of the funding under a program to say that it has declined in the last several years, because of course it has declined in the last several years. The fact is that for all intents and purposes there should be no money spent at all toward the end of an agreement because the program is one that has a definite period within which it is intended to operate.

I am pleased to have the opportunity to appear here today to say a few words about economic and regional development. As the Hon. Member himself admitted, it is an area to which this Government has made a very strong commitment and we continue to have an even stronger commitment today. That is the reason for some of the reorganizations that have taken place and with which I will deal in a few moments.

A number of my colleagues here today will be following up with more specifics in some specific areas of funding.

Mr. Crosbie: Specificity.

Mr. Johnston: I see that the Hon. Member from St. John's is looking over here.

Mr. Crosbie: St. John's West.

Mr. Johnston: He is another obvious beneficiary of the economic and regional development programs of the federal Government. He knows full well the impact that they have had in his province.

Mr. Crosbie: Just wait until I get my chance.

Mr. Waddell: Two third placers.

Mr. Johnston: I think the Hon. Member for Hillsborough was referring to a new team. Surely a new team would not include the member from St. John's. He must be referring to some other new team and I will not go into that now.

The fact is that the whole issue of economic and regional development has received priority attention from the Government and continues to receive priority attention. That is why, as I mentioned a moment ago, the Government has taken significant steps to strengthen that commitment. I will outline a few of the measures.

The Hon. Member made reference to some historical evolution and pattern of development in this country. I suppose that it is true that Canada has been created against compelling economic logic, namely that it should have developed on a north-south rather than east-west basis as it has. I suppose as well that a triumph of Canadian history has been our ability to tie together, across this great, vast land, areas of such differing regional and economic opportunities and strength.

Of course, that has also developed over the years what the Hon. Member referred to obliquely as the so-called heartland-hinterland syndrome. The historical thrust of the past several decades has been to recognize this phenomenon and seek a solution to it. The creation of the Department of Regional