

*Supply*

many areas of the Province, more particularly in the area represented by the Hon. Member for South Shore (Mr. Crouse), who is with us here in the House today.

*[Translation]*

Because of that, Mr. Speaker, I am very pleased with this opportunity to explain to my colleagues once again—the purpose of the program in question, the criteria selected for implementing the program, how we went about selecting the projects and the procedure and the mechanism we have established to ensure that the program is implemented as soon as possible.

*[English]*

In the budget there were a number of Special Recovery Programs. One, of course, deals largely with fiscal incentives, tax incentives, investment tax credits and so on. But the other side, to which the Hon. Member for Dartmouth-Halifax East has more particularly addressed himself, is the Special Recovery Capital Projects Program. I would like to say that in both these cases, whether one looks at the Special Recovery Program introduced by the Minister of Finance on the fiscal side or the Capital Projects, to which I will speak more specifically, they are designed to create long-term permanent jobs. In addition to that, the budget did deal with some specific improvements or augmentations to programs for direct job creation. More importantly, the budget recognized that long-term permanent jobs will be found by a strengthened private sector. The budget moved very firmly in that direction on the fiscal side, and I will argue convincingly, I believe, for the benefit of my colleague from Dartmouth-Halifax East that these augmentations did the same thing with respect to the Capital Projects.

The Program on Capital Projects has \$2.4 billion allocated to it. That is the largest single capital investment program which has ever been undertaken by the Government of this country. It will create jobs. It will create jobs now, both temporary construction jobs in many instances and, more important, long-term permanent jobs. I know the Hon. Member for Dartmouth-Halifax East argued a few moments ago that this was a pork barrel, and his motion deals more particularly with Atlantic Canada, but I will address this concern of his in a moment because I believe I can satisfy him on that count as well.

But let me first speak about the project itself. Why was it introduced at this particular time? The Hon. Member for Dartmouth-Halifax East has referred to his concern with respect to the deficit, or to borrowing. He refers to this Government as a Government that borrows. As the Minister of Finance has said, this Government is concerned about that deficit and, accordingly, it was decided that these Special Recovery Capital Projects would be implemented. Programs would be implemented at this time because private sector investment intentions are not strong in the upcoming fiscal

period. In fact, it is anticipated there will be a net decline of capital investment of something like 3 per cent this year following on the heels of a very substantial decline last year. But in the private sector it is predicted for the coming year that there will be a decline of something like 8 per cent.

It is clear that if the Government is going to accelerate Capital Projects of the kind that are the subject of this particular program, this is a very propitious moment to do it because we will not be crowding out private sector investment intentions. We will be putting in place projects that would have been undertaken in any case at some time during the decade but instead they will be brought forward into a nearer time frame. They will enable the Government to establish some basic fundamental economic infrastructure and, in turn, will be supportive of private sector recovery and investment when that comes.

Clearly, in terms of the over-all fiscal position, this is the way for the Government to proceed. But when we add to that the fact that we are suffering unreasonably and unacceptably high unemployment, that we have many construction workers unemployed in this country, that we have many suppliers and manufacturers working well under capacity, surely it behooves us also to create jobs in this period and to stimulate suppliers and the manufacturing sector of this country. That is exactly what this proposal does with this \$2.4 billion investment.

*[Translation]*

Mr. Speaker, perhaps I may add a few more comments. My colleagues may have forgotten the basic criteria we used to select these projects. First of all, these are projects that were already planned for the departments in question, and second, the Minister of Finance (Mr. Lalonde) has added some very specific criteria. First, the project must be ready to start within the six-month period following the budget, and second, they must be completed for up to 60 or 70 per cent within the next two years. That is the accelerated process I was referring to.

*[English]*

I see we are approaching one o'clock, Mr. Speaker, but I want to underline the over-all investment intention and the importance of it in terms of the budget itself. I cannot let this motion go unanswered with respect to these charges of pork-barrelling, as the Hon. Member says, and the accusation that none of this money is going into Tory ridings in the Atlantic Provinces.

These projects have been selected for their economic potential and importance. I will refer to a number of them which are going very specifically to Tory ridings in the Atlantic region. Shall I call it one o'clock, Mr. Speaker?

*[Translation]*

**Mr. Deputy Speaker:** Order, please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.