

for medicare and post-secondary education. If the Parliamentary Secretary to the Minister of Finance disputes my figures, let me tell him what the Department of Finance indicates will be cut from the Established Programs Financing: \$115 million will be cut in 1986-87; \$240 million will be cut in 1987-88; \$385 million will be cut in 1988-89; \$545 million will be cut in 1989-90 and \$720 million will be cut in 1990-91. All of this will be lopped off, thus causing further unemployment in the regions.

The answers provided by the Minister of Finance to my question of October 23, 1985 are totally insufficient, and the inadequate actions taken are to meet the needs of Canadians in the less fortunate regions. I would ask him, out of concern for the economic benefit of those Canadians, that he alter the economic course which is causing thousands upon thousands of Canadians in the regions to go onto the unemployment rolls. Would he change or alter that course of action?

[Translation]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Hon. Member must be feeling generous, since he left me a lot of time for my answer. In any case, I am happy to be able to give you an exhaustive list of projects that constitute a direct answer to the comments of the Hon. Member for Cape Breton-Richmond East (Mr. Dingwall). Mr. Speaker, the following are measures specifically directed to the Atlantic region:

- Subsidiary regional economic development agreements have been signed with the Atlantic provinces, involving federal commitments for funding totalling approximately \$270 million.
- We have concluded an energy agreement with Newfoundland, thereby removing a major obstacle to the development of the Hibernia field which is rich in natural resources.
- In order to maximize the impact of this projet on the regional economy, we have contributed \$225 million to the Newfoundland Offshore Resources Development Fund.
- Last May's Budget provided for a new investment tax credit for Cape Breton, which was subsequently raised from 50 to

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60 per cent, in order to create new jobs in the private sector on Cape Breton island and in the Mulgrave area. Furthermore, a private sector consultative committee was set up which has just submitted its report. The Government is now examining the committee's recommendations and will act on them as soon as possible.

- A grant of \$16 million was approved to enable Devco to build a second gallery in the Morien coal mine in Cape Breton.
- Furthermore, we recently paid a contribution of \$77 million to Fisheries Products International; in addition, Canada and Newfoundland have agreed on a five-year plan aimed at ensuring the long term viability of this company.

● (1855)

We also added \$60 million to the equalization payments paid to the Atlantic provinces earlier this year, and we did so without prior contracts or commitments.

I would like to remind the House that these steps were taken despite the strict budgetary constraints necessary as a result of the extent of federal expenditures. The impact of these expenditures is very significant and will be felt throughout the Atlantic region and in all its communities.

However, even more important than these various financial commitments is the new climate of constructive co-operation between the federal Government and the provinces which has been established in the Atlantic region and in other regions in this country since we came to power on September 4, 1984.

If the Hon. Member wishes to obtain further information on the subject, I suggest that he get in touch with the Minister of Regional Industrial Expansion (Mr. Stevens) who will be able to give him more detailed information.

[English]

The Acting Speaker (Mr. Paproski): Order, please.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.58 p.m.