

● (2202)

When I indicated to the Deputy Prime Minister and President of Privy Council on October 18 that not only would this reduce employment by some hundreds in the Atlantic provinces, but lead to millions of dollars in waste as well as to the loss of a new high-technology export industry, the Deputy Prime Minister and President of Privy Council seemed to be primarily unaware of this, or certainly gave argument at that time which bore no relationship to the facts.

I think it is very clear that prior to 1972 the over-all program of mapping, and to a certain degree the monumenting system that had been implemented, was totally under the control of the federal government. Indeed, as the premier of Nova Scotia at that time, Mr. Gerald Regan, said in a press release on September 14:

We were encouraged to get into this program by the federal government five years ago, when the costs were borne 100 per cent by the federal government—

I simply put that on the record at this point to indicate that this is a process by which the federal government seems to be renegeing on its basic responsibility.

The 1973 agreement was entered into between Canada and the maritime provinces, introducing a four-phase program designed to provide a simple and understandable land titles system with easy access to property owners. Eventually this system would substitute picture identification of property for the legal identification now used by most offices, introducing really and quite dramatically one of the most up to date land registry systems anywhere in the world.

It was clearly understood that this project would take some ten or 12 years to complete, some time in the 1983 to 1985 period. There were four very clear phases to the program, and it was very clearly outlined in the agreement that the federal government would pay 75 per cent of the cost under that agreement. Because of the policy of the federal government not to enter into contracts ordinarily for longer than a five-year period, the initial agreement was signed to cover the period from 1973 to 1978. However, there was certainly no indication in any way, shape or form that at the half way point the federal government would suddenly terminate its support for this important project. Indeed, the first indication that the federal government was making this unusual decision came with an hour's notice to those directly involved in the LRIS system. As a matter of fact, perhaps the words of Premier Regan indicate more clearly the shock and inability to accept this decision than anything I could state. Premier Regan said on September 14:

This is the first hint . . . that we have had that this program was not a priority of the federal government. The cutback places all three provinces in an extremely awkward situation. The LRIS program will require seven more years and \$40 million if we are to complete it on schedule by 1985. These facts were known by both parties before we embarked on this program in 1973. That the federal government would withdraw support half-way through this capital project is hard to believe.

That is certainly, if anything, an understatement, because not only was there no consultation with any of the three governments of the maritime provinces, and no forewarning to those directly involved with the system, but it seems clear that

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the department which has been responsible for the implementation of this program, the Department of Regional Economic Expansion, was offered almost no consultation or advanced notice. That kind of pursuit of priorities seems to be hard to understand.

As one journalist has pointed out, we are faced with a kind of Hobson's choice where the federal government has pulled the plug at the half way point. As Jack Willoughby wrote in the *Toronto Globe and Mail* of September 15:

The withdrawal of federal money from a plan to computerize the land title system in the maritime provinces has left the provinces with the Hobson's choice of paying \$40-million to finish the half-completed project or spending large sums to move back to the old system.

We do not have the luxury of simply abandoning the project at this stage because obviously we are at the stage where mapping has been completed in Prince Edward Island, mostly completed in New Brunswick, with a significant portion still to be done in Nova Scotia.

As I pointed out originally, the loss of a new industry of high technology, offering long-term employment in the Atlantic provinces, is really hard to believe. It is a kind of "anti-DREE" decision.

I think it is ironic that we had filed last year, which was prepared for in the original contract, a cost-benefit study produced by P. S. Ross & Partners last April 1977. This is a benefit-cost study of the LRIS program. I want to offer two brief quotations from this study to show the ridiculous position the federal government has taken. Under the subheading "Overview of the Study's Results", the following is reported at page 3:

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The results of the benefit-cost analysis of phases I, II, and III show that the benefits realized in the later years of the study period far exceed the annual operating costs.

At page 5 there appears the following statement:

In addition to the benefits listed above, all four phases of the LRIS program support the region's economic development. This benefit takes the form of faster implementation of capital development projects, savings in the costs for interim financing for these projects, and savings in the actual cost of the projects that otherwise could be increased by inflation.

In fact, this decision is, at its worst, a kind of anti-DREE decision—a decision against removing or reducing regional disparity. The fact that the department had an evaluation on its desk a year in advance of this sudden decision by the federal government simply defies the imagination. I think one journalist put it best when he said, when reporting on this, that it is now up to the politicians and other interested parties to howl loudly enough to make Ottawa think twice—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I am pleased to have the opportunity in this adjournment debate to bring the hon. member for Egmont (Mr. MacDonald) up to date on what the federal government has been spending through the