

Borrowing Authority Act

money to do what it is expected to do because other line departments which have not been paying enough attention to their regional responsibilities are not co-operating.

In 1979 the Economic Council released an investigation of regional underdevelopment entitled "Regional Disparities and Growth in Canada". It found an important ingredient of Canadian regional disparity to be in the adoption of new technology. In the same year the C. D. Howe Research Institute reported that the output per capita in the Atlantic region since 1970 has declined when measured as a percentage of the national output.

At a time when industrial output is declining, the region requires strong and effective action, but rather than attempt to resuscitate the patient when things are tough, this particular administration appears to have chosen to withdraw the medication and the life support systems. First, the regional development incentives which were in the budget of my colleague, the hon. member for St. John's West (Mr. Crosbie), have not been reintroduced by the present Minister of Finance (Mr. MacEachen), nor were any other incentives to benefit the Atlantic region, which is perhaps the most underprivileged region in the whole country. It is not just that the present administration failed to reintroduce the provisions and tax contracts and capital cost allowances for newly built fishing vessels, for example; they have also stalled, I trust for not too long, the previous incentives of our government for the older industries like SYSCO and the new and expanding ones like Michelin.

Let us now look at the actions of one other department capable of generating real development, the Department of Industry, Trade and Commerce. This department directly contributes to this industrial impotence in the Atlantic region. It is an anti-development department, as far as we are concerned. It operates a number of programs which attempt to deal with the crisis of Canada's technological underdevelopment, but it does not do anything for us. For example, between 1970 and 1977 the Program for the Advancement of Industrial Technology, called PAIT, spent \$146 million, but only \$63,000, or .4 of 1 per cent, was spent in our region. During the same period the Industrial Design Assistance Program spent \$64,000, or less than 3 per cent of its budget, in our region.

A third program with great potential but little action is the Defence Industry Productivity Program, DIPP. Considering the way it is now administered, it is well-named. It will provide the basis for most of the ostensible benefits of the F-18 offset program which has been widely advertised, as was mentioned here in the House today. Between 1970 and 1977 DIPP spent nearly \$340 million but only 1.5 per cent, or \$5 million, in the Atlantic region. In fiscal year 1978 the region received only .15 per cent of the DIPP funds, or \$70,000.

In the same year Ontario and Quebec received 99 per cent of the available funds. We can readily see how this program has failed miserably to spread the economic potential that it has across the country in those areas where it is most needed. One might naturally assume that this region would receive a similar portion of the F-18 offset program. On this matter the

present Minister of Regional Economic Expansion stated in Parliament when he was DREE critic in the opposition, "I would like to see DREE involved in the F-18 picture, not all spent in metropolitan areas". He said that last fall.

This program is in great difficulty because it does not have funds available, and many of the widely touted benefits, which are advertised at such expense to the taxpayers of this country, I suspect cannot be realized. If Canadian industry does not have the funds to re-tool or to take advantage of these offsets, then all of the industrial benefits will not be realized. The McDonnell Douglas Corporation cannot wait indefinitely. It has a production deadline, and so the benefits which could come to Canada will go back either to the United States or to other countries.

By fiscal year 1979 many of the industrial incentives of the Department of Industry, Trade and Commerce were integrated into the Enterprise Development Program, or EDP, as it is called. Unfortunately, the EDP has shown itself to be just as incapable of dealing with Atlantic Canada as its predecessors. In that year EDP spent \$150 million, but only \$850,000, or 0.57 per cent of 1 per cent of its budget, in the Atlantic region. During the same period, Ontario received about 60 per cent of the total assistance. This totalled some \$91.4 million.

● (1520)

I do not mention this matter in the spirit of antagonism or to complain about the benefits which other parts of Canada receive, but only to emphasize and to show, I hope graphically, that the Department of Industry, Trade and Commerce is failing miserably in working with the Department of Regional Economic Expansion and other departments to try to do something meaningful to alleviate economic disparities in this country. If I have time I will talk about transfer payments in a moment, which also have generated some strange results in Atlantic Canada.

Another aspect of the attempt of the Department of Industry, Trade and Commerce to stymie Atlantic Canada may be found in the export financing activities of its Export Development Corporation. Since Atlantic Canada's economy is one of the most export oriented of any region of Canada, it should appear normal for EDC to be heavily involved in export support activities in that region. In fact, it is not.

In 1977 the corporation provided nearly \$2 billion to support Canadian export transactions. In that same year its annual report's list of principal exporters in each of its export financing ventures with foreign nations includes none—I emphasize none—from Atlantic Canada.

Today this department, the Department of the Minister of Industry, Trade and Commerce (Mr. Gray), is providing \$200 million to Ontario's Chrysler Corporation. It has not changed so far as its approach is concerned, in my view, to the rest of Canada. It is a department that gave more than \$60 million in direct funding to Ford in Windsor. In a few months the department is likely to add Massey-Ferguson to its list of welfare recipients. This corporation, which does not operate in underprivileged parts of the country, in fact barely operates in