

great solution and explosion of benefits for poorer parts of our country.

It is a pink elephant approach which has been there in, for instance, the discussions about the free trade agreement. The free trade agreement was going to tremendously benefit the regions of the country. Try telling that now to western fishermen who have seen the consequences of that deal for their access to the fish.

It is there even in the context of the GST, believe it or not. There are ministers who said before the finance committee, of which I am a member, that the GST is going to even things out so tremendously across the country, that this will benefit the Sault Ste. Marie's and the parts of Atlantic Canada and western Canada that are feeling the inequalities at this stage.

I do not think that any of these pink elephants are any more real than they were in the dreams that we might have had as kids. Instead, we have to look at the realities. The realities are, first, a tremendous lack of consistency in government policy on regional development; second, a serious set of cutbacks in support for regional development right across the country; and third, a series of economic attacks which are taking place—some of which the government is not responsible for and some of which they are—across the country which are making the regional development crisis in Canada much more serious.

Let me talk about a few of these things before trying to suggest some of the solutions that we as a party would put forward. In talking about lack of consistency, the minister himself in his answer to my colleague from Sault Ste. Marie has demonstrated the lack of consistency that we have to regional development across the country.

In the case of Atlantic Canada, for instance, there are grants, as the minister knows. In the case of western Canada, under the Western Diversification Fund, there are no grants. In the case of FEDNOR, it is not entirely clear what the situation is. It continues to be extremely ambiguous.

The consequence is that any company attempting to make choices on the basis of regional development incentives as to where it will invest is faced with a patchwork quilt across the country where one part of

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Canada which is regionally hurting has a different set of benefits than another part of Canada which is hurting just as badly. That is a lack of consistency which I do not think can be justified. The minister makes a good case for the flexibility of separate agencies, and it is a case with which I agree, but those separate agencies have to be in some sense consistent in the application of the criteria which they apply. There can be flexibility to take account of local circumstances but, if the flexibility is so great that this patchwork quilt exists, then the disadvantages for certain poorer parts of Canada are simply not fair.

• (1310)

I suggested secondly that, in fact, we are talking about some significant cutbacks which have hit regional development in the country. In looking at the most recent budget and the estimates for the coming year, we can see at least one element of consistency in the government's approach to regional development: the consistent cutbacks which have taken place from agency to agency.

Look, for instance, at the Atlantic Canada Opportunities Agency. I have their estimates in front of me. There is a net decrease of \$39.3 million of a total budget of just over \$300 million. So, in fact, we are looking at a decrease in that case of over 10 per cent. It is the second straight decrease which has occurred in the allocations to this particular agency, despite the problems that are so evident to everybody in Atlantic Canada today.

There are all sorts of bookkeeping shifts which are taking place, such as shifts of some sets of grants from ACOA to other departments, which make it difficult to determine whether we are talking about a 10 per cent decrease, or a 15 per cent decrease or a 5 per cent decrease, but there is no question that we are talking about cutbacks—

Mr. MacKay: Not this year.

Mr. Langdon: —and that is not fair to people in Atlantic Canada and it is not fair to our country. Our country needs the sense that we are working together.

Look at the estimates of the Western Economic Diversification Program. We again see in the case of those estimates a net decrease of \$1.4 million. We also see that the stretching out of the timetable for allocation