

Supply

In Prince Edward Island, for example, the federal Government scrapped many established federal-provincial cost-shared programs in favour of direct delivery of federal services, often totally excluding the province from policy input. The result has been to render previously robust provincial departments of government—notably fisheries, agriculture and energy, and others which could be mentioned—mere shadows of their former selves, with attendant Public Service lay-offs and local service cutbacks. Even more significant, Mr. Speaker, the direct delivery approach has denied federal Government programs the local participation so essential to effective implementation.

With DREE folded into the Department of Regional Industrial Expansion as of 1982, and thereby effectively abolished, the Atlantic region has lost the one federal department, with all its faults, to which it could turn as a friend at court. Make no mistake about it, Mr. Speaker, in any competition between the twin but conflicting goals of the new department, national industrial objectives will win over regional development objectives ten times out of ten, at the expense of the Atlantic region.

The federal department has made an orphan of the Atlantic Provinces, leaving us increasingly to our own devices to survive. Not only has it abolished DREE and abandoned formal regional development programs of the DREE type, but it has also slashed support through broad fiscal and other programs. From 1977 to 1983, federal transfers to other levels of government have steadily gone down as a percentage of total federal expenditures, even excluding public debt considerations. Federal changes to Established Programs Financing for health care and post-secondary education has cost the Atlantic Provinces \$90 million a year in lost revenue. Apart from those changes, the application of the Government's six and five program to the post-secondary education component of EPF in 1983-1984 and 1984-1985 will cost the region a further \$32 million over those two years.

In such areas as transportation, so vital a part of the economic base of the region, the federal Government has left us high and dry, alone to fend for ourselves. In 1968 the Government subsidy under the Maritime Freight Rates Act was, in 1982 dollars, \$57 million. In 1982 it had shrunk to a paltry \$11 million, a drop of 81 per cent during the 16-year period in which the current Prime Minister was in office.

● (1125)

Sir, no part of Canada depends more on vital transportation links with the rest of Canada than does P.E.I. We have suffered, however, a steady loss of passenger freight and parcel express services, and railcar and railline repair and maintenance capacity. Having entered Confederation to save our railway, we see the federal Government dismantling it before our very eyes. Although the island is grateful for federal help towards such major projects as the Atlantic Regional Veterinary College and the Prince Edward Hilton Convention Centre, it is once again the classic story of the Government giving with one hand while taking with the other.

Sir, we in the Atlantic region are a proud, hard-working people, a people determined to be self-sufficient again. We were once self-sufficient. Before Confederation our region was actually quite prosperous. That is in fact why we were one of the first parts of Canada to become populated and settled. Successive central Canada-dominated federal Governments, however, have adopted policies undermining economic diversification in the Atlantic region and also in the west. This has weakened our economic strength and our morale. The region, once highly industrialized by the standards of the day, has now been reduced to producing staples. The production of those staples, for example potatoes in Prince Edward Island, does generate jobs, I grant you that. Much of the income, however, is then simply spent in central Canadian markets, mostly for manufactured goods. The same happens with federal transfer payments to provincial governments and individuals alike. In the Atlantic Provinces the money simply gets recycled back into the central Canadian economy.

Frankly, Mr. Speaker, I am not convinced that such regional servitude is exclusively the result of either accident or neglect. One cannot overlook the fact that it has served the interests of central Canada—and I am fond of central Canada—to have the Atlantic Provinces as a ready market for their manufactured goods rather than engage in manufacturing themselves. National policies like protective tariffs have consistently favoured Quebec and Ontario, the very provinces whose votes have enabled the Liberal Party of Canada to govern the country for most of this century.

What we need, Mr. Speaker, is a truly federal state, one that recognizes the enormous potential of the Atlantic region both to be self-sufficient and to contribute to the total wealth of Canada. However, that will only come, Sir, with a new team of Canadians in charge of affairs here in Ottawa.

Mr. Deputy Speaker: A period is now provided for questions or comments.

Mr. Hopkins: Mr. Speaker, if I understood the Hon. Member correctly, he mentioned the DVA building was to go on the waterfront. It was then moved downtown and they were lucky to get the convention centre on the waterfront. I remember discussing this move at length with the late Hon. Dan MacDonald prior to the move. I recall his mentioning the waterfront versus the downtown location. Is the Hon. Member really saying at this stage that he would prefer to have DVA on the waterfront and the convention centre downtown? Is it really better to have a department downtown in a business section, or is it better to have the convention centre downtown? Does he disagree with the DVA being located where it is located at present?

● (1130)

Mr. McMillan: Mr. Speaker, the consideration of the comparative locations of the two projects in question, the national headquarters for the Department of Veterans Affairs on the one hand, and the Prince Edward Hilton Convention Centre on the other, is irrelevant. What is relevant is that one