

Government Organization

The most striking feature of regional economic comparisons throughout Canadian history is the substantial difference in per capita income between the highest and lowest provinces. In the most recent period for which meaningful statistics are available, 1962-64, personal income per capita was \$2,025 in Ontario, \$1,521 in Quebec, \$1,302 in Nova Scotia, \$1,167 in New Brunswick, \$1,115 in Prince Edward Island and \$1,007 in Newfoundland.

As one would expect—it does not necessarily follow, of course, but normally on an empirical basis one discusses this kind of correlation—we also have substantial differences in employment levels across the country. The Atlantic provinces in particular, as the Leader of the Opposition has pointed out today and hon. members have mentioned a number of times in other debates this session, have suffered from much heavier unemployment than the country as a whole. This has been going on for a 20-year period. For example, in the 1956-60 period average unemployment in the Atlantic provinces was nearly 10 per cent of the labour force, in contrast with my own province of Ontario which averaged 4 per cent. Even today when unemployment is again becoming a major problem across the whole country, the rate is 10.1 per cent in the Atlantic provinces, 8.4 per cent in Quebec and a comparatively low—comparatively only—3.8 per cent in Ontario and 4 per cent in the prairie provinces.

What these persisting inequalities mean, of course, is that it matters a great deal where a Canadian child is born. To spend one's childhood in a richer area means to have better schools, employed parents with a sense of self-respect, adequate housing and the opportunity to pursue a variety of occupations. To grow up in a poorer region, in contrast, is to lack these advantages either completely or relatively to the rest of Canada. In many cases one might just as well grow up in an underdeveloped country. In short, the opportunity for self-realization in Canada is determined to a considerable extent not only by the parents one is blessed with but also the region of the country in which one is born.

Apart from this unfairness to individuals there are inevitable economic consequences affecting the community as a whole. An uneducated or badly educated child cannot make the contribution to his community that an educated one can. The effect of this on the already relatively poor region is that available material resources cannot be developed. The Canadian economy then operates well

below its full capacity and hundreds of millions of dollars worth of productivity are lost every year. Underdeveloped regions are caught in a vicious cycle in which low income and unemployment, low capital accumulation and low productivity, lead to lower educational attainment, inadequate health and welfare services and emigration of the skilled and the young to areas where employment opportunities are better. Regional poverty, in short, reproduces itself ad infinitum.

Since confederation Canadians have believed that only by acting together in a united country can we establish equal opportunities for self-development for all our people. But persisting economic disparities, becoming more widely known with each year and, of course, with each report of the Economic Council of Canada, are causing increasing numbers to question the desirability of the Canadian union. Unless some significant changes take place in the years ahead we will witness the emergence of new, serious and justifiable threats to confederation.

I would like to say something briefly about past government programs. One of the principal reasons for the persistence of economic disparities is that in the past neither Liberal nor Conservative governments have been able to provide policies which would foster the economic growth of underdeveloped regions. The Minister of Forestry and Rural Development recently admitted that while over \$1 billion had been spent in recent years on programs intended to overcome regional disparities, over half of this money has been a complete waste. We have witnessed a proliferation of programs, all well intended but nevertheless ineffective. This is the minister's own judgment.

• (3:40 p.m.)

We have had programs to build roads to resources, to develop transportation facilities, to retrain manpower, to give area industrial grants and incentives, and to provide rural adjustment and relocation of the victims of technological change. But still the same regional inequalities exist. These policies of previous Conservative and Liberal governments have lacked the over-all direction and cohesiveness that alone could render them effective, especially the allocation of substantial resources.

We have had ARDA programs and FRED programs. We have had ADA, A.D.B. and DEVCO. Some of these projects have involved co-operation with the provinces and some have not. Some have concentrated on