

Atlantic citizens especially on the part of the Prime Minister (Mr. Trudeau) and his cabinet colleagues responsible for finance, energy, transport, industry and manpower, to name only a few.

More important still, this debate is about the 408,000 people in eastern Canada who are without jobs, and what this means in terms of their ability to participate in the affairs of Canada, both today and tomorrow, and make a contribution to its development as equals. As a party which is prepared, when it forms a government, to take seriously its responsibilities as they concern the basic needs of those who live in the five eastern provinces, we bring these matters forward.

When you strip away the rhetoric which has been used by the Prime Minister and his colleagues, the fact is that the commitment which was made in the late sixties has not been met. Rather than being reduced, the disparity between the regions has widened. Economic differences have become more exaggerated and more critical. To eradicate or even chip away at disparity, the have-not regions must grow at a rate not just equal to the national level but faster than their wealthier neighbours in the other provinces. Not only has this not been occurring, but it is a fact that we are growing at an even slower pace.

● (1520)

I want to document that in a number of ways, but perhaps nothing stands out more clearly in the failure of this government adequately to deal with regional disparity than the comparison of rates of unemployment between 1970, a year after the department was created, to the end of 1976. In 1970, as the department was getting started in its responsibilities, the unemployment rate in Canada was 5.7 per cent. In the Atlantic provinces it was 6.2 per cent. There was something like an 8.7 per cent differential between the Canadian and the Atlantic averages. In 1971, Canada's rate of unemployment was 6.2 per cent and in the Atlantic region it was 7.1 per cent. In 1972, in Canada it was 6.2 per cent, and in the Atlantic region it was 7.8 per cent. In 1973, in Canada, it was 5.6 per cent, and in the Atlantic region it was 8 per cent. In 1974, in Canada, it was 5.4 per cent and in the Atlantic region it was 8.5 per cent. In 1975 it was 6.9 per cent for Canada, and 9.9 per cent for the Atlantic region. In 1976, 7.1 per cent for Canada and 11 per cent for the Atlantic region.

This indicates an increase in those seven years, during the presumed commitment of the federal government to alleviate regional disparity, of an unemployment rate that started by being 8.7 per cent greater than the national average and at the end of last year stood at 55 per cent greater. If that is evidence of the kind of commitment or performance of the government, then heaven deliver us from it because it is certainly not something that citizens in Atlantic Canada or Quebec can afford for a minute longer.

I want to indicate the implications of this in terms of the present situation with respect to private investment, something that this government has theoretically addressed in recent budgets. The disparity is widening in private investment, the

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crucial source of new jobs and higher incomes in any region. In terms of the capital investment intentions of the private sector in manufacturing, for Canada they are up by a very modest 3.5 per cent, but for Newfoundland they are down 11.6 per cent; for Prince Edward Island, down 35.6 per cent; for Nova Scotia, down 8 per cent; for New Brunswick, down 11.6 per cent; and for the Atlantic region as a whole, they are down 10.7 per cent. As I said a moment ago, they are up for Canada by 3.5 per cent.

It is obvious that the disparity is widening in productivity and output. In terms of the real domestic output for 1976, the Canadian average was 4.6 per cent, but Quebec suffered the lowest rise of all ten provinces, with 2.9 per cent. In the other eastern provinces there was a domestic rise of 3.1 per cent in Newfoundland to 3.8 per cent in Nova Scotia, all well below the Canadian average. It is obvious that disparity is widening in unemployment where after each successive business downturn the gap between the rest of Canada and Quebec and the Atlantic provinces does not only remain greater but is increased. Last year, with almost half of Canada's unemployed in the five eastern provinces, only 18 per cent of the new jobs were created in those five provinces, and the Minister of Finance (Mr. Macdonald) had the gall in a speech which he made recently on his latest budget to admit that his budget is not going to change the situation during the upcoming year. That is some commitment to the alleviation of regional disparity!

I believe it is possible to identify two highly significant reasons why the present government, with the vast resources at its disposal, has presided over the widening of the disparity gap between our regions. The first is that they have depended almost totally on transfer payments by the two individual governments as a solution to disparity. They have done almost nothing to help our so-called have-not regions to develop the economic base necessary to sustain themselves. For instance, in 1975-76 we find that the Department of Regional Economic Expansion spent in the Atlantic provinces a total of \$204 million. That compares with equalization and transfer payments to provincial governments of \$1.2 billion. The productive investment in the Atlantic region, therefore, amounted to less than one-sixth of the moneys that were spent there for the maintenance of services on a provincial basis. This does not even take into account the additional \$1.3 billion spent in the regions under family allowances, pensions and unemployment insurance.

All of this is bad enough, but if you compare the figures that were tabled a few nights ago by the minister responsible for DREE (Mr. Lessard) in the committee, you will see the alarming developments that are taking place with respect to the expenditure of federal funds. In 1971-72, DREE program expenditures were listed at \$141.2 million, while equalization and transfer payments to provincial governments stood at \$696.2 million. In 1975-76, however, DREE program expenditures had only increased, as I said, to \$204 million, whereas equalization and transfer payments had risen to \$1,238.4 million, indicating that the program expenditures of DREE,