

Oral Questions

progress he is making with regard to the impending closure of the linerboard mill which will affect up to 2,100 jobs. Is he now prepared to show some flexibility in the directions of the DREE policy in order to be able to combat this disastrous situation which occurred?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, in the case of the Labrador Linerboard mill, unfortunately I do not see how we can give enough flexibility to any of DREE's policies to match the need and challenge of that particular case. Unfortunately, this is a case where, no matter what DREE tries to do, we will not be able to achieve taking over this particular firm which the province took over a few years ago but has not been able to find a way to get it on its feet because of marketing difficulties and the kind of products this factory was putting out. We will probably have to find some other product or some other company which might be interested in buying out this facility, bringing in new machinery to turn out a new product. That is obviously going to take a long time. It will require a complete change in approach. I hope we will be able to approach the province and succeed in rectifying the problem. At this point there is no good news that I can report.

Mr. Marshall: Mr. Speaker, in view of the answer the minister gave me and in view of the fact there is no easy solution, I wonder if the minister would be prepared to decentralize segments of the Department of Regional Economic Expansion now existing in Newfoundland to show a physical presence in order to enable him to look at new initiatives, to rehabilitate present industry still existing and also to create new industry in line with the infrastructure which exists in that part of the province?

Mr. Lessard: Yes, Mr. Speaker, I have had under consideration for some time a possible decentralization of our offices in Newfoundland and some other parts of the country. I will probably be making a decision very soon to extend some of our services by having offices opened in other parts of the province of Newfoundland.

EFFECT OF CUTBACK IN AIR CANADA SERVICE ON
DEVELOPMENT OF ATLANTIC AREA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. Since the minister admitted recently he was not sure of the implications that Air Canada's cutbacks in service might have on the potential development of Atlantic Canada, will the minister explain this lack of knowledge in view of the commitment made by the government, at the urging of our party, that regional economic development would be made possible by transportation as a tool for this purpose? At the same time, could he assure us the commitment made by his predecessors is still in effect?

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, reduction of service by Air Canada will not greatly affect the economy of that province, although it will affect it to some degree. What we need to help the

[Mr. Marshall.]

industry out there is much better ground communication facilities and not better airline facilities. I suppose a better railway system, a better road system and a better tariff system will help those manufacturers move their goods to the centre of Canada. That will be much more appropriate than a few airline tickets.

● (1440)

REASON FOR FAILURE TO DEVELOP HYDROELECTRIC SITES IN
ATLANTIC AREA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I appreciate the minister's answer, but on this business of co-ordination with other departments, something on which his predecessors were quite strong, why in the energy field is there no real emphasis within the departments as far as general development agreements are concerned in such essential cornerstone projects as energy to create long-term assets so that we could alleviate the job problems and get assets which would be of some value in the future? I ask this keeping in mind that there are two potential hydroelectric sites in Newfoundland, 20 in Labrador, 5 on the Saint John River in New Brunswick, 5 in eastern Quebec as well as the Fundy tidal project, none of which are being developed, which, it seems to me, would be appropriate in the circumstances.

[Translation]

Hon. Marcel Lessard (Minister of Regional Economic Expansion): Mr. Speaker, that matter of hydroelectric resources development in Newfoundland and that part of Labrador has been considered extensively by the Newfoundland government of course but also by our department and the Department of Energy, Mines and Resources in Ottawa, and we have agreed on a certain strategy. We have recognized the potential, as well as some of the difficulties inherent in the development of that potential. Again very recently two of my colleagues and some ministers of the provincial government of Newfoundland have had discussions about that and we have considered what could be done in the short, medium and long term to develop those energy resources in Newfoundland to serve the province's interests but also to incorporate them in a network to serve the Maritimes.

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[English]

REGIONAL DEVELOPMENT INCENTIVES ACT

REASON FOR REDUCTION IN BUDGET PROVIDED UNDER ACT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I would like to direct a question to the same minister. Will the minister explain why, in a period of record unemployment, his department has cut back on its spending under the Regional Development Incentives Act, the one program which is directly aimed at permanent job creation? The DREE budget, as I understand, is up 11 per cent, but the RDIA budget is down 10 per cent.