

rationale used that it was for economic development. We had to stretch the interpretation of economic development. I suppose we could say that if we did not have a road on stilts made of concrete going into a city, then perhaps we would not have as many tractor trailer loads of products going over that road. Perhaps that encouraged business indirectly. I did not find that DREE actually got to the point of doing what it was supposed to do.

Industrial parks came under the DREE agreements. Those parks were congregated in certain sections of each province. Again, it was something that could not be changed because it was a priority of the provincial government at the time.

I recall that the Hon. Member for St. John's West who stood today to criticize the federal Government on development agreements was one of the key people who made sure that large sums of money went into the City of St. John's to the exclusion of some of the rural areas that I represent.

● (1720)

Basically, Mr. Speaker, what we have seen under this new setup which the federal Government has brought in is a continuation of existing general development agreements with certain exclusions. However, I do not believe, Sir, that you could say there was a reduction in the amount of money. For example, we still continued to build industrial parks, but they were more diversified. In the Province of Newfoundland for the first time an industrial park went into the Town of Gander. Tenders will be called on that in the next couple of months. We went to areas where economic development should be encouraged, but we found that the same agreements continued which existed under the old system of DREE, plus some other initiatives which were much more exciting than those under the old DREE program.

I notice in some remarks made here by Government Members that mention was made of such things as the national recovery program, the scrap program, which were certain initiatives taken by the federal Government recently. However, I would like to point out to the House the areas which really need economic development, a national recovery project. For example, in the community of Dark Cove in my district, it would be a slipway. The national recovery program in a small community on the northeast coast would be a Canada Works grant to try to put in a water system. A national recovery program to another community might be the provision of a community hall. The reason for that, Sir, is that out of all the grandiose programs of the provincial and federal Governments, about the only program in existence today which gets into the small rural communities, which does not have the tax base to become an incorporated town council and, thereby, does not qualify for normal municipal grants within the provincial structure, is the direct job-creation program, and that is it. If we looked at economic development today in the extreme rural areas of Newfoundland, for example, we would find that the biggest economic tool for that community is the direct job-creation program. That is it.

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It is unfortunate, Mr. Speaker, that sometimes people ask why this job-creation money, this Canada Works money or Canada community development fund money, cannot all be put into economic development. That is what you normally hear in the smaller communities. One tends to think that the reason for the question is that that is the only money that actually gets into the smaller communities, perhaps out of a budget of \$10 million for all of Newfoundland and Labrador. People in the community concerned say it is marvellous, and someone else will say, "Why can we not put that money into economic development?" That is only \$10 million, Mr. Speaker, and the Newfoundland Government, for example, gets \$800 million in equalization payments to do the very thing which the fellow is talking about. When you add up all of the transfer payments, it comes to something like 60 per cent of the provincial budget. There are provincial and federal Government Departments which are supposed to deal with economic development, but the only economic development tool is that little Canada Works grant that goes into that community.

I was amazed and shocked to hear the Hon. Member for St. John's West, who is such a popular fellow in his riding, a fellow who is supposed to understand what is needed for economic development in Newfoundland, make the statement that we must do away with direct job-creation programs. Before the next election, the people in those rural ridings will have to know if the Liberal Party is going to continue with these grants to the smaller communities. Is that its policy? And is it the policy of the Conservative Government to continue with these grants to the smaller communities? Because it is the only delivery agent for economic development we have in the extreme rural areas of eastern Canada. That is a poor reflection on the existing economic agreements which we have with provincial departments of economic and industrial development which are receiving over half their funds from the federal Government in equalization payments.

The other problem I have with the general thrust of the debate, Mr. Speaker, is that when one looks at what it is possible to do—the previous speaker from the Conservative Party referred to blueberry production—one looks at what can be done in the fishery, and then one realizes that most of those great fish companies which got into trouble were sending their fish down to the United States to be made into a finished product. Most of the problem existed with frozen cod blocks, but you cannot find a fish company, any multinational fish company in Newfoundland, which produces a finished product for the marketplace.

When we consider that our raw materials, our resources, are going to another nation to be made into the finished product, then we must realize we have a problem. And when we realize what the potential is, then we must ask ourselves how that can be corrected. We then get back to the basic question of who, jurisdictionally, is supposed to do what, when and where. We have in the Province of Newfoundland, for example, as we have in other provinces, a provincial government which controls the issuance of licences and what an industrialist is allowed to do on land. You then have the federal Government