

Supply

Newfoundland. The Hon. Member is going to rue the day when a tragedy happens in that area and the aircraft is not there to take care of it. I agree that there must be increased capability in St. John's for the oil rigs, but the companies must take their responsibility too. The Government of Canada has a responsibility for the fishing craft as well as for the oil rigs. That is why it should have maintained the helicopter in Gander to do the job that was necessary. It has not put anything new there. It has only re-allocated resources. That is not a step in the right direction.

The Minister spoke about Challenge '85. Nineteen hundred applications have been received in Newfoundland under Challenge '85. Twenty per cent of those are career related. They talk about the great use which the public sector is going to make of this. The public sector is not making use of it and neither are the municipalities. The municipalities are being forced to put money which they do not have into Challenge '85. The municipalities of Newfoundland find themselves very hard pressed indeed.

Under Summer Canada the municipalities were given funds free and clear. Federal funds created jobs for young people. This year the municipalities are being forced to contribute 25 per cent of the cost of creating those summer jobs. As a consequence, there will not be as many jobs as there were last year. I do not believe there will be that many created by the private sector either because small companies in Newfoundland do not have the 50 per cent which is needed under Challenge '85. I do not think that Challenge '85 will work out as well as the Hon. Member thinks it will. My main concern is the way in which the Hon. Member has misled the House. I believe that the record must be put straight.

I would like to go on to other things which I think must be done. The Minister did not really address the problem of regional development this morning. We talked about this in relation to the Investment Canada Bill. I have seen nothing so far to tell us that the Government in power has any policy for directing funds or employment to the regions of Canada which are in most need, such as the Atlantic region. I could point to the things which have been done away with. The Atlantic provinces have been seriously affected by that. I would like to read from an editorial in the January 3 *Telegraph Journal*. It reads:

Prime Minister Brian Mulroney and his deficit-slashing Finance Minister, Michael Wilson, would be well advised to take a second look at any schemes that would scale down Ottawa's involvement in regional economic development in Canada.

In setting out to cut spending, the new Government evidently sees a scenario in which the federal Government would reduce its role in direct stimulation of economic growth in various regions and look to the private sector to help fill the gap.

But the problem in regions such as the Atlantic Provinces is the private sector's limited ability to generate more growth under present conditions.

Thomas Maxwell, chief economist for the Conference Board of Canada, points out quite correctly that Atlantic Canada is a region in which the private sector lacks the resources to fill the inevitable void that would be created if Ottawa were to cut back on its support and assistance.

That is an accurate description of what is happening. While it may be true that there are parts of the country where the

private sector can carry the load, the Atlantic region is not one of them. The Government has not realized that by indiscriminately cutting programs across Canada it has hurt underdeveloped regions where the private sector is not strong enough to stand on its own feet and will not be strong enough unless something is done, and it will not be done quickly. It has not realized that through indiscriminate cutting it has hurt the Atlantic area.

There is a whole list of examples of the kind of thing the *Telegraph Journal* is talking about in its editorial. For example, there has been a \$250 million reduction in PIP grants for the offshore. We have not yet been told what will be put in its place. There has been a \$11.7 million reduction in capital expenditures in the fisheries development program. Marketing and the small craft harbours program was cut. There was a reduction in non-profit and co-op housing. That is not simply a matter of housing for people. That means that a lot of small businesses such as construction firms and lumber yards in the Atlantic Provinces will be very severely hurt as a result of that cut-back in housing.

This morning the Minister talked about what he was doing for the Atlantic Provinces. One thing he did was to cut tourism out of the IRDP program altogether. I think that tourism is going to be a sunrise industry in the Atlantic Provinces and it cannot now qualify for any grants under the Industrial Regional Development Program. There is a water slide in a town in my constituency which is attracting a great many tourists. It is a good, imaginative idea of a small businessman that is working well. It is making money and attracting people to that area. That kind of thing can no longer be done because tourism is no longer eligible under the IRDP.

Another thing which has been cut is ferry service. There are ferries along the northeast coast of Newfoundland, the coast of Labrador, and the south coast that have been cut. All of these things will have a very severe impact in Atlantic Canada and Newfoundland. We do not have a healthy private sector which can take up the slack. Perhaps Toronto, parts of Alberta and parts of British Columbia can do that, but that type of indiscriminate cutting will hurt people in the Atlantic provinces where the economy is not strong enough to stand on its own two feet. That is starting to happen now. The Atlantic Accord will not take up the slack.

What will we do in Newfoundland for the next five or ten years until all the money rolls in from the oil? How do we feed our people and get jobs in the meantime? What is the Government going to do in regional economic policy? That is a serious question which deserves to be answered but has not yet been answered. I hope there are some answers in the Budget when it comes down.

I have some questions for the Minister of Finance (Mr. Wilson). I have some positive suggestions of things that could be done. Let me tell the Minister of Justice (Mr. Crosbie) what can be done in Goose Bay. I hope he will take it up with the Minister of National Defence (Mr. Nielsen). Let us not talk about star wars because that will not create jobs. Let us talk about a NATO training base where the Government could