

for insulin production, and hence the insulin produced from these is more costly than that produced from beef.

In this light, I think that Canada is fortunate indeed—

**The Acting Speaker (Mr. Turner):** Order. I regret to interrupt the hon. parliamentary secretary but his allotted time has expired.

REGIONAL ECONOMIC EXPANSION—ALLEGED FAILURE OF  
DEPARTMENTAL PROGRAMS—POSSIBILITY OF CHANGE OF  
POLICY FOR ATLANTIC REGION

**Mr. J. M. Forrestall (Dartmouth-Halifax East):** Mr. Speaker, I welcome the opportunity to pursue a little further with the government and its representative the question of the role of DREE, particularly as it affects the Atlantic area in the light of the desperate situation in which that area now finds itself.

When I raised this question on November 8 I drew attention to the work and studies done by the Economic Council of Canada and urged that these efforts be recognized by the minister. The Economic Council in its report "Living Together", indicated clearly that in the Atlantic region, at least, if not in all the disparate regions of Canada there was a surplus potential which could be exploited without over-exciting or agitating the inflationary pressures which exist in Canada today. I asked the minister whether it was not now time to take heed of the advice given by the council and apply what it termed innovative fiscal policies to the Atlantic region particularly, as well as to other disparate regions. I asked the minister whether or not consideration was being given to the application of new procedures, new incentives, to help balance out economic opportunities in various parts of this country.

The subject has become a lively one in recent days. The minister, in a well orchestrated effort yesterday, found an opportunity to respond to the hon. member for Algoma (Mr. Foster) suggesting—this was the inference—not only that the department would carry on but that there had been no discussion whatever with respect to the future of DREE. This was in spite of the admission a few weeks ago by the Secretary of State for External Affairs (Mr. Jamieson) and the minister once responsible for the department, that it had failed in terms of its objectives.

In any event, the question of the department's future is not the one which I am raising. The question is whether or not the minister and the government have any proposals before them which might correct the disparate position in which the Atlantic area finds itself. Any such proposals must centre upon the development of new and innovative approaches to means of achieving economic expansion. Quite simply, we have to put an end to the "leakage" which has been occurring with regard to all forms of government aid going into these incentive plans and other ad hoc programs. It now runs as high as 70 or 75 per cent.

*Adjournment Debate*

● (1822)

For every dollar that goes into the Atlantic region in the form of these grants, 70 cents or 75 cents of it goes back to central Canada, Quebec and Ontario, to purchase machinery, building supplies, electrical cable and so on. The Maritimes do not get to keep the money. Of the \$155 million we have had under the Regional Development Incentives Act, the Atlantic region has retained less than \$30 million. This has to be turned around.

When will the government recognize the surplus potential which exists in Atlantic Canada? When will it recognize that this surplus can be developed without fanning inflation? When will it use DREE in a way which will rid the Atlantic region of disparity?

There is room for the application of innovative ideas. Now is the time. There is need for greater tax cuts and the entire question of job development incentive in the tax area. As the hon. member for Halifax (Mr. Stanfield) has said on a number of occasions in this chamber over the last eight or ten years, we have to look for methods of developing and changing trading patterns. Failure to do these things will result in the continuing situation that faces us.

When the economy of Canada is high and going along well, we enjoy the benefits. When it turns soft, the Atlantic provinces go down much more rapidly than the rest of the economy. When the economy goes back up, we are so much further down and so much slower at recovery that the gap tends to widen. That is the nub of our problem. I can argue that the application of DREE has done more to bring pressure to bear on provincial and municipal social welfare programs—

**The Acting Speaker (Mr. Turner):** Order. I regret to interrupt the hon. member but his allotted time has expired.

**Mr. Frank Maine (Parliamentary Secretary to Minister of Public Works and Minister of State for Science and Technology):** Mr. Speaker, in commenting upon economic development in the Atlantic region of Canada, I wish to restate that the government has such a policy and that programs to give effect to that policy are being implemented.

Once again I must explain to the House that the DREE policy aims at strengthening the medium to long term economic base of the Atlantic region, and that it cannot be measured against short term job creation objectives. Also I must repeat that all of the North American continent, and indeed the world, has been experiencing an economic decline in the past three years. It is not realistic to expect that the Atlantic region of Canada can be exempt from that economic situation.

Criticism of the department has been aimed almost entirely at incentive programs which comprise scarcely more than 10 per cent of the DREE budget in Atlantic Canada. However, that 10 per cent can be demonstrated to be successful in terms of job creation. The remainder of the budget is directed to longer term developing strategies which, with the full concurrence of the provincial governments of the four Atlantic provinces, are being put into effect. The Economic Council of