

expansionary type of department to what is now becoming an "also ran".

I think the minister appreciates, as I did, that there is an enormous amount of failure in co-ordination between this department, which is by its nature horizontal and crosses the efforts of many line departments, and other departments which could do so much to help DREE in a common purpose to develop parts of this country that have steadily been falling farther behind.

When the Department of Regional Economic Expansion was created, a greater proportion of its effort and funding was targeted toward Atlantic Canada than is the case today. As I understand it, about 53 per cent of its budget was allocated to Atlantic Canada ten years ago; today about 37 per cent of its budget is targeted to that region.

Another phenomenon that has occurred, of course, is that in the western part of our country an enormous expansion has been taking place in some provinces. This is something about which we all rejoice, but it has made it very difficult to continue to target on the traditional role of DREE, which has been one of equalizing the standard of living.

When a province like Alberta makes such enormous progress that it becomes, in effect, a miniature Saudi Arabia in our country, it is then difficult to say realistically that Nova Scotia, for example, will have a comparable standard of living through the efforts of a department such as DREE. What DREE must do is try to lessen the tremendous dependence of parts of this country on transfer and equalization payments.

The phenomenon is that as the DREE budget has fallen proportionately, and therefore so has its capacity to develop the economies of the regions of the country that need their economies developed, there has been a great increase in transfer payments. In other words, there has been a far greater emphasis by this government on distributing the wealth of the country than there has been on trying to create the wealth which must be distributed.

I mentioned that factor in a speech I made not long ago so I do not want to chew my cabbage twice, as they say. But I do want to emphasize, however, that there should be greater co-operation between line departments and DREE if we are to accomplish anything; I am sure that the parliamentary secretary and the minister would agree with this. We tried to promote this approach in our government and I believe that the present minister intends to continue the thrust.

I want to repeat the point that I made earlier but make it more specific. The Department of Industry, Trade and Commerce is one of those line departments that is doing the least to expend its resources in a co-operative way—in Atlantic Canada, for example—to help DREE accomplish some of the things that all members of this House want to see done.

I have done some research since last week—and I stand to be corrected if my figures are not correct—which appears to show that through the enterprise development program, EDP, in fiscal 1979 the Department of Industry, Trade and Commerce only allocated 0.66 per cent of its budget, an amount of

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\$1.4 million, to promote industry in the Atlantic region. For 1980 this has been raised to about 5.3 per cent of its budget, or over \$12 million. I hope that the minister will continue this trend with particular emphasis on IT and C.

I should like to share with the House an example of the lack of co-operation that is particularly noticeable to me because it occurred in my constituency. The Electrohome enterprise which took over a building in my constituency got into difficulty. The Department of Regional Economic Expansion very properly tried to recover a substantial amount of money, while at the same time the Department of Industry, Trade and Commerce, through the EDP, was trying to straighten out the company. One department concerned with promoting economic development was in conflict with another department that really had the same objective. They were fighting over who was going to get money and who was going to reorganize the company, when there should not have been a problem at all. As a matter of fact we were able to work out a satisfactory arrangement which, to the best of my knowledge, still exists.

Agriculture is another area of concern. I hope the minister will look into matters and see what can be done with the PFRA program in western Canada. The hon. member for Medicine Hat (Mr. Hargrave) is an expert on PFRA. At the Standing Committee on Regional Development in the last session of Parliament he and other members were designated to look into the question of whether PFRA should remain with the Department of Regional Economic Expansion or whether it should come under the Department of Agriculture and, if this were the case, whether the program could be extended right across the country.

Atlantic Canada at one time had a similar program called the Maritimes Marshland Rehabilitation Act. I am sure the hon. member for Annapolis Valley (Mr. Nowlan) and other members from New Brunswick would remember very well the good work once done by that program, but somehow or other it was discontinued. While the problems in Atlantic Canada are different, generally having more emphasis on drainage and rehabilitation of marshland as opposed to relieving drought as in western Canada, help is nonetheless required.

I hope that when considering more comprehensive legislation—this is only an interim measure—the minister will continue this study and will consult the hon. member for Medicine Hat and others to see whether something can be done to utilize DREE or the Department of Agriculture, whichever is most appropriate, to extend the economic development stimulus into the area of agriculture as well.

One of the things that should be done in order to support DREE, apart from increasing its budget to some extent—not that we should give it more money than it can intelligently use, but there is certainly a need for an increased budget—would be to consider some fiscal and financial measures.

● (1230)

Again, I do not want to hearken back and say that we had the only answer. We thought we had something in our budget that was helpful to DREE, that is to say, a provision for a tax