

The economic future of the northeast coast of Newfoundland can only be bright if government spending is directed toward small industry. The industry that does exist is just barely existing. The fishing industry, the lumbering and woods industry are just hanging on by their fingernails, unable to haul themselves up. We will soon be into July, and to some degree I call the month of July the dumping month in the fishery. Fishermen phone me with the news they have to dump their catch—squid, herring, mackerel—year after year. The lumbering industry is on the rocks; provincial government foreclosures, one after the other they fall.

When I first got elected three years ago small would-be entrepreneurs, several of them, came to me looking for direction to build barrels for the fishing industry. You see, we import barrels from Norway to Newfoundland. The provincial government finally conducted an experiment; it sent wood over to Norway to make barrels and it worked perfectly. Not one of the many entrepreneurs who wanted to make barrels could get government assistance because the agencies that exist are ineffective. We still import our barrels from Norway.

Smoked salmon sells for at least \$15 a pound and up in markets originating in Boston. Yet in the one area where we permit commercial licences for salmon in eastern Canada, that is, on the Newfoundland coast, we have no such exports of smoked salmon. The possibilities are there for industry, long-lasting industry. We export our fish and our timber in a relatively raw state to be processed into a final product in other countries. When you do find someone interested in a final product, the loans are available at an 11 per cent interest rate, enough to get your head in the wringer if you are lucky enough to get them; and if things go sour for a couple of months, the same government agency moves in to shut you down.

As things presently exist, the man who wants to employ people is by himself, while the provincial government spends \$1.2 billion in its budget, and we are at the federal level handing over another \$1 billion this year. Thus, when this resolution says that there is now economic stagnation and unprecedented unemployment in Newfoundland, most of our unemployed in that province would ask the question:—so, what else is new?

The solutions are not to be found in shortrun, stop gap, band-aid measures. My opinions, of course, are based on my experience in Gander-Twillingate in the province of Newfoundland, in communities where men are fighting over jobs on Canada Works projects where you make \$115 a week, if you are lucky enough to get a job. Do not forget the cost of living is higher in Newfoundland than it is in any other province.

I see my time is running out. Therefore, in conclusion, the best way to reflect the way I feel about the manner in which governments treat our chronically unemployed is to borrow the words of the poet, Elizabeth Browning, which read:

There's too much abstract willing, purposing, in this poor world. We talk by aggregates.

Regional Unemployment

And think by systems, and being used to face our evils in statistics, are inclined

To cap them with unreal remedies.

Drawn out in haste on the other side the slate.

Some hon. Members: Hear, hear!

Mr. Arnold Peters (Timiskaming): Mr. Speaker, over the years there has been a great deal of faith put in the DREE program by members of parliament. It is time to look at some of the things that are wrong with that program because we have not received value for our money.

We passed the Regional Development Incentives Act in 1968. In Ontario in 1975-76 we had an approximate DREE program expenditure of \$38 million, with subsidiary agreements under the Ontario General Development Agreement for another \$15 million and the Regional Development Incentives Act for \$14 million. It is interesting to note that Quebec is even in a worse position than Ontario. I am surprised that some of the members from the province of Quebec have not given some indication of why the agreements have not been signed in that province and why there is little activity this year, when last year they spent \$114 million under DREE, with \$38 million for activities under subsidiary agreements and \$13 million for the regional development incentives program.

We should ask the minister why we have had very little success when we make these kinds of expenditures. I think a cabinet minister stood up not long ago to reply to a question asked by the hon. member for Cape Breton-East Richmond (Mr. Hogan). The hon. member for Cape Breton-East Richmond was asking why there was a delay in making an expenditure in Cape Breton Island which would solve some of their problems. I heard the minister say that we cannot do that now because we have to wait until we can do it for everyone, and we cannot do it in the province of Quebec until the situation is settled there. It seems to me we should look at it. That indicates one of the problems we have had with DREE. There should have been no balkanization of this country by DREE. We should have provided a program where we could improve conditions in any province or in every province where an entrepreneur wanted to establish. That is not being done.

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If the province of Quebec says it is not interested in signing an agreement, the minister is powerless to provide any help to an industry wishing to start up in that province, even though it might have the know-how and the will to do so.

Mr. Lessard: That is not true.

Mr. Peters: The minister says that is not true. It is true. That is how it works. We have signed a general agreement with Quebec. We have signed a general agreement with Ontario. We have also signed subsidiary agreements. The minister put out the DREE report, and if it is not true let him say so. If it is not true he is misleading the House. We have signed agreements with the provinces, and the provinces decide whether projects should proceed.