

expenditures for fiscal year ending March 31, 1973" one finds the following: the province of Newfoundland, \$551.8 million; Prince Edward Island, \$109.6 million; Nova Scotia, \$613.4 million; New Brunswick, \$569.3 million, and so on. The Northwest Territories, for example, has a figure of \$103.2 million, and for the Yukon it is \$36.5 million. This gives an idea of the vast amount of money being spent for professional services and consultants in relation to what the provinces are spending to largely fund their whole operation of government.

I feel that the opposition to the total of \$5,665,000 for professional and special services is well founded and that the deletion of \$1 million would still leave ample funds for consultants' services. The \$1 million so deleted could be allocated to development applications or, indeed, to social ends to improve the conditions, for example, of the pre-retired miners under the jurisdiction of DEVCO. The minister has indicated on different occasions that he is receptive to policy suggestions and comments in so far as his department is concerned. The minister apparently has spent a great deal of time ascertaining from the provinces and other interested parties what variations could be applied to make DREE a more workable, efficient and generally beneficial program.

At this time, Mr. Speaker, I should like to make the following observations which I hope the government and the minister will consider. It is time, for example, that DREE established its presence in the north. The hegemony of the Department of Indian Affairs and Northern Development in our north should be checked.

Some hon. Members: Hear, hear!

Mr. MacKay: It is time for the establishment of a small departmental section of DREE with responsibility for northern Canada, with special emphasis on the creation of development regions in the Yukon and Northwest Territories. Special importance should be attached to resource management, northern transportation and development of entrepreneurial skills among native people. The status of federal and provincial Crown corporations should be reviewed. Temporarily, at least, one should consider suspension of the establishment of further corporations such as the Newfoundland and Labrador Development Corporation, Metropolitan Area Growth Investments Limited, and similar entities in our provinces. These types of organizations may prove to be too political and evaluation should proceed before more are organized.

At the same time, existing bodies and related councils should be fleshed-out, the executive officers and other necessary personnel appointed quickly and the potential explored so that the value of these corporations can be fully ascertained at the earliest possible time. So far as departmental reorganization is concerned, I should like, with deference, to say to the minister that further reorganization is certainly necessary. The minister has said publicly that he anticipates no difficulty in getting this type of co-operation through related departments such as transport, industry, trade and commerce, public works, and so on, whose activities are necessarily concerned with the activities of DREE. This being the case, the minister and this government should at once proceed to set up an interdepartmental organization and explore and expedite

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procedures so that these related departments can work with DREE to focus and co-ordinate their efforts specifically toward regional economic development without any wasted effort.

Consideration could be given to reorganization also along the lines of a national transportation section of DREE and a national municipality section specifically oriented toward the problems of our third level of government, the municipalities, in so far as regional economic development is concerned. Also, a regional venture capital section might very well be in order to pay closer attention to the requirements of developing industries and financial procedures implicit therein. Certainly, the representatives of the Northern Ontario Development Corporation pointed out deficiencies in the co-ordination between DREE and this particular provincial development corporation, one of the main reasons of conflict being DREE's prohibition against so-called stacking. I see no reason why worthy development projects should have to opt for either DREE or provincially funded aid. It seems to me that if a project has sufficient merit, there is no reason it could not accept aid from provincial development agencies as well as from DREE.

On the subject of rural development, I suggest that this government should consider the consolidation, in some areas, of FRED, PFRA and ARDA into a new program for rural and agricultural areas. Major emphasis should be placed on expansion of assistance available under FRED, particularly for such areas as northern Ontario, central Nova Scotia, Cape Breton and central British Columbia. I maintain that if the infrastructure is provided and the area is made sufficiently attractive from a residential point of view, the service industries and finally manufacturing will follow without necessarily giving large industrial incentive grants.

Certainly DREE should continue to experiment with its policy of providing industrial incentives, but more emphasis should be placed on developing a climate attractive to industry. DREE should be charged with the assessment and feasibility of infrastructure in areas where slow growth exists and, together with the provinces, facilitate this development in co-operation and conjunction with all government departments and agencies having jurisdiction in the areas involved, such as the Department of Industry, Trade and Commerce, the Department of Public Works, the Department of Transport, and so on, as previously mentioned.

It seems obvious that there should be a more continuous liaison between the provinces and the federal government in this regard, and there should be at least one individual responsible for ongoing consultations between the Department of Regional Economic Expansion and each province where DREE is active, to avoid the seemingly endless rounds of consultations and studies and passing the buck back and forth between federal and provincial government.

The third level of government in each province—the municipalities—should also have liaison with DREE so that the department would have continuing up to date assessments and appreciations of the position of all involved. This would also provide great benefit in evaluating progress of activities in special areas, and in monitor-