

### *Regional Unemployment*

assume that the established limits of government support are adequate; you assume that these are the only priorities, that this is the direction you should support; you assume—and this gets to the core of the matter—that what you see is all that can be done, that the policy decision makers are correct.

The sole purpose of my intervention in this debate is to show you that the decision makers have been incorrect. Who are these decision makers? It must be humorous to a student of government, to one who might be investigating regional disparity and high unemployment areas, to visit the legislative chambers on the provincial and federal levels. He could visit us today here in Ottawa and listen to the opposition party blame the federal government. Tomorrow he could visit the Atlantic provinces and listen to the opposition parties blame the provincial governments.

Reality exists in looking at our spending structures. Apart from our normal departmental expenditures on both levels, infrastructure agreements on both levels, loans to small business and the normal housekeeping chores, we are left with over \$200 million, in the case of Newfoundland, in equalization payments that is passed over to the province to do with as it pleases. Even in DREE the priorities are negotiated. It is a fact that the province should know how best to spend the money for industrial expansion. This resolution before the House is an example of skirting the edges. It displays the point I raised earlier, that the movers of the motion do not understand the problem and therefore can never comprehend the obvious solutions to unemployment in economically depressed areas.

What are the solutions? If you ask that question of a chronically unemployed man with 11 children, trying to make ends meet in Newfoundland, you would get a better answer than asking an economist, or the lawyers who seem so prevalent in legislative chambers or a provincial premier. He would put it very simply. He would say, depending on his geographic location, "Look, why not a fish cannery with markets for the finished product?" or "Why not a hardwood plant?" or "Why not agriculture?" He would ask the simple obvious question, "Why not let me produce?"

The typical response given to that question is, "Well, if a profit is to be made, private enterprise will move in". The typical response is that there are established government agencies to help him get established. Then that unemployed man will say, "You're full of baloney". And he would be right.

Not only are agencies non-existent to see an idea through seriously but there is no agency to keep a good secondary industry going once it is established or if it encounters trouble. The Minister of Regional Economic Expansion (Mr. Lessard) spoke in this debate. He is a fine minister, probably the best the department has ever had, but if you examine his role in creating long lasting jobs you will find the mechanism just is not there. Yes, DREE has done a lot. DREE puts in water and sewer lines for industrial expansion, paves roads for industrial expansion, builds schools because the provinces cannot afford it, and has an industrial incentives branch to help out a prospective industry. The same can be said for the province of

Newfoundland. They also have their departments, loans and grants agencies. They all help, but they fall short of a realistic incentive to do what should be done. It is for the province to deal specifically with the Newfoundland situation in a real sense; but it still has failed miserably. When you understand the problem, when you know the people labelled as living in a chronic unemployment area, when you know the existing agencies have failed, and when you know the opportunities that exist, then you realize that these areas need something extra. They need special attention.

● (2100)

Consider, Mr. Speaker, that the federal government spends about \$1 billion in Newfoundland each year and, if we can believe the provincial budget of \$1.2 billion, that makes \$2 billion of government expenditure in Newfoundland this year. That is \$4,000 for every man, woman and child in Newfoundland. I contend that lack of money is not the problem—it is how that money is spent. That is the problem. That brings me back to the matter of understanding the problem in order to understand the solution.

I believe what we need to solve our problem is a government agency that actually initiates industry, that is, a government department made up of persons who know the area and who can identify its potential wealth where possible, and then see it through with government money. If that sounds to anyone like too much government intervention, then I am afraid they are in favour of welfare and Unemployment Insurance Commission benefits instead of jobs. If anyone objected to that initiative, then that objector does not understand the problem.

A government department is needed that will say, "A viable fish cannery can work here," or "a secondary industry that will provide a finished product using our own natural resources can work here." I can tell the House that, as far as I am concerned, that is the only answer. Also judging from the present policies of provincial governments, like the Newfoundland government, they will never do what so obviously must be done. Therefore the federal government must undertake that chore. It can be done by existing agencies and with existing funding, but it needs to be redirected with new objectives.

The established agencies of both governments which presently have the role of encouraging new industry come into play after the fact, mostly with high priced loans which drag the entrepreneur down until he reaches the point of government initiated foreclosure.

Let me illustrate my point briefly by analyzing my riding of Gander-Twillingate. It is an economically depressed area, and private industry will never develop the wealth and natural resources in that area unless government is prepared to participate. By participation I mean financial; I mean marketing; I mean direct real involvement with present tax dollars that are for the most part presently being wasted on low priority spending. Some may say the present spending is high priority. Yes, high priority here and now, and for the next election; but not for the present and future generations. To put the horse before the cart, is what I am talking about.