

*Regional Development Incentives Act*

total budget of the federal government was something like \$5 billion; today the budget is about ten times that amount.

Ever since those days the concept has been expanded. There was FRED, the Fund for Rural Economic Development. This encompassed areas such as the Interlake region of Manitoba, and afforded an opportunity to try out experiments. Hon. members must bear in mind that these were all experimental programs. Then there was establishment of the Atlantic Development Board which, I am sure, must have embarked on a considerable number of experiments. Then there was ARDA, the Area Regional Development Act, and the regional development legislation as it presently exists. My point is that the concept goes back a long way.

The impression I got from the Liberals was that while the Conservative government under Mr. Diefenbaker from 1958 to 1962 had introduced it, they were somehow going to erase history and remove any reference to a Conservative concept. So they came out with the idea of a department of regional economic expansion. From there on it was going to be a Liberal idea.

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Regardless of whose idea it was, I want to trace some of that history for one specific reason. The point of it all was that this type of legislation was necessary. We could not keep running back to the government. All of us understand how cumbersome government can be. Every time we had a project we wanted to undertake we could not come back and ask for funds. We would wait for one department to move and then another department to move, and we really could not do anything. As a result this type of department was set up, but in setting it up it became very powerful, and it could grow to be very powerful and become a monster unless we have these periodic reviews. The former minister in the previous administration commented on that very aspect. Funds grow, requirements are always there, we do have regional disparities, there is a desire among civil servants to try to do their best, and there is no doubt in my mind that there is competition between provincial authorities and federal authorities.

In the province of Saskatchewan we have another type of competition. The department of northern affairs of Saskatchewan takes funds from the federal government and tries to tell everybody that all the funds, all the work and all the goodies come compliments of the province. They even moved a whole department of government into my area. They fan out in all directions; and there are people who work in every community. From original applications to final payments, matters are handled by the provincial administration, but 60 per cent of the funds come from the federal government. Regardless of whether there is a Conservative administration or a Liberal administration, the federal government is not given any credit, at least in the province of Saskatchewan, and regardless of whether the federal government is Conservative, under which this concept originated, or Liberal, I feel that they deserve a considerable amount of credit.

**Mr. Cosgrove:** Hear, hear!

**Mr. Korchinski:** There is no way that there would be any funds without federal participation, because there is no money to be made in many instances. It is a matter of providing opportunities for employment in areas where there are no opportunities.

This world is very competitive and there is a natural tendency to gravitate to central Canada and to ignore other areas. Central Canada is in competition with other countries so it has to be competitive, but that leaves out the regions, and forever and a day they were left in limbo, until there was an operation such as this.

There is a tendency to grow, and there is a danger that the department could become too powerful. There could be a few people in the department who could wield tremendous powers, if one community or a group of communities wants a certain project. Where are most of the projects undertaken in my constituency? They are undertaken immediately around La Ronge. La Ronge is a growing community, and it needs many of these projects, but beyond La Ronge there are many small communities. It is easy for administrators to take an hour's drive to look at a project, but to go out into outlying areas might require flying. One might have to take a day or two, so therefore there is not that same type of pressure from within the communities. There are pressure groups and people within the department who see an obvious need for certain types of programs. There are pockets where there is greater growth, even though it is all within the operation of the department.

The entire department fans out, and only a few areas are not included under this particular operation. The NDP says that it is great that we pour money into this. I remember in 1972 when "corporate welfare bums" was the expression being used. They fanned out across the country and campaigned, and all they said, was "corporate welfare bums". That was wrong. Because of the fact that there was some big industry involved, the idea of helping industries which were in difficulty was all wrong. Now all of a sudden Chrysler or Michelin can be assisted, and that is good. It is good to assist Chrysler because it happens to be close to the heart of the Leader of the New Democratic Party (Mr. Broadbent), but move into another area where there is a bigger company, and suddenly it is not good.

The danger—and this is why a periodic review is necessary—as I see it is that as this kind of philosophy grows, every party says that that is fine, but who is to apply the brakes? From here on in, one after the other they will be lining up because grants are available. There has to be some braking mechanism because funds are limited. The original estimates prepared by the previous administration were \$562 million in the blue book. I asked the minister in committee whether that was the original amount proposed by the previous administration, and he said yes.

With the transition from the previous Conservative administration to the present Liberal administration not a single extra dollar has gone into the regional development department. The Prime Minister (Mr. Trudeau) tells us that the Conservatives have a fetish for cutting down on the deficit. When \$3.5 billion