

they would, or would they do away with it, consolidating it into a larger department, as other members have suggested?

Mr. Darling: Mr. Speaker, if the Hon. Member had been here this morning, he would know that that question was posed by one of his illustrious colleagues and was answered.

Mr. Waddell: It was not answered.

Mr. Darling: It was answered. I will give the same answer. We certainly have supported the Department of Regional Economic Expansion. A great many are now concerned that it is a subdepartment of Industry, Trade and Commerce. I can assure the Hon. Member that I say that definitely we should have a specific Department of Regional Industrial Expansion. It is a very important Department. I could name several other ministries or Departments which do not add nearly as much to the economy as the Department that provides grants and jobs for the entire country, including the Hon. Member's own area.

Mr. Waddell: Mr. Speaker, I thank the Hon. Member for his answer. To quote him, he said he was one—

Mr. Darling: Of many.

Mr. Waddell: One of many Members who support keeping the Department. Does that mean, as I think it does, that there are others who would not keep the Department? Again I ask him the question so that I can get a straight answer. I do not ask for his own individual position or the position of some or even all Members of his Party. What is his Party's position as to whether they are going to re-create the Department of Regional Economic Expansion?

Mr. Darling: Mr. Speaker, all I can do is to repeat what I have already said. The Hon. Member should have been here this morning. I repeat that I am confident that our Party will see that there is a Department of Regional Industrial Expansion.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I am pleased to have the opportunity this afternoon to speak to the matter before the House. It is of considerable importance to a significant area of my constituency, particularly the census division of Brandon. I lament the passing of DREE, the Department of Regional Economic Expansion. That Department did succeed, at least to some degree, in redressing some of the regional disparities which have so often hampered the growth of industrialization in Canada.

One advantage of the Department of Regional Economic Expansion was to provide incentives for the less industrialized areas, particularly in the Province of Manitoba. It did that in such a manner that a number of jobs have been created since 1969. According to my statistics, 20,000 jobs were created in the Province of Manitoba since 1969. That was the result of some 850 grants totalling \$225 million, leading to a total investment of over \$1 billion in terms of 1982 dollars.

What concerns me is that the new criteria before the House as part of the DRIE Program as distinct from the DREE

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Program will mean that large segments of western Canada, particularly my own area of Brandon, and areas such as Selkirk in the Province of Manitoba, will not be eligible under this program as they were under the last program for this type of financial assistance.

I am told that 77 per cent of the projects which occurred since 1969 as a result of DREE would not have occurred under DRIE. That is a very staggering percentage. I am also told that 34 per cent of the expansion that occurred in Manitoba as a result of DREE would not have occurred under DRIE. This means there would be \$470 million fewer dollars invested in the Province of Manitoba and a loss of 10,000 jobs; 10,000 jobs during a time of high unemployment. That is something which the Province of Manitoba cannot accept.

Those who established DREE were well aware of some of the peculiar difficulties which exist in western Canada, difficulties which have retarded the even economic development of this country. There are too few large urban centres to serve as markets for manufacturers in our region. We have a tremendous distance to cover before we can produce goods and get them to the large eastern markets. As a result of that distance, we are in a situation where we have to face very high freight costs which will work very much to the disadvantage of local manufacturers in all of western Canada, particularly in the area of Manitoba from which I come, in communities such as Brandon.

• (1610)

In addition, Mr. Speaker, as I am sure all of the Members of the House are aware, Government policies in the past have led to the structuring of freight rates in such a way that we have been encouraged to export our primary goods and we have been discouraged from producing manufactured goods. Unfortunately, there is nothing in this legislation which takes that particular disadvantage into consideration.

As you may be aware, Mr. Speaker, one of the historical by-products of our natural disadvantages has been the growth of a considerable amount of alienation within western Canada. This alienation has resulted in the past in such developments as the secessionist movement in the 1880s which was led by a group called the Manitoba Northwest Farmers' Union. There was also the growth of the Progressive movement in the 1920s, which was a rejection of the traditional Party politics as we know them. In 1935, there was the emergence of the Social Credit movement, which was extremely anti-eastern in terms of its orientation. Even more recently and more disturbingly, in the 1970s and 1980s we have had the growth of a western separation movement. To give credit to the Government that sits across from me in the House, the DREE Program helped to lessen that alienation to some degree. Unfortunately, what it has now proposed will not do that, and in fact, it may lead to an intensification of that alienation.

In my opinion, the spirit which motivates this particular Bill is admirable. That is, there is a desire to streamline the legislation. But unfortunately, the criterion which has been employed is disastrous in its impact upon small communities.