

DREE in terms of total dollars is 1.1 per cent of the total budget compared to 2.1 per cent ten years ago. That is further reduced by the impact of inflation. You find that the \$600 million is really only worth half of that because of inflation. We have other policies and instruments of government that work counter to development of some of these areas of regional disparity.

I am starting to repeat myself, so I am going to conclude. We cannot have an effective, viable DREE policy by just transferring payments, helping a basic standard of living and not directing the policy to changing economic structures. Even though every effort is made, and officials work hard, you cannot have a change in the economic structure unless you co-ordinate that policy of grants, low interest bearing loans and that type of thing, with action in other areas. Look at what you have on the opposite side—the Bank Act, transportation policy, energy policy, to name only three of the basic policies which cover the country; I do not even need to talk about such things as the Canada-U.S. auto pact and other policies of that kind which are more specific to the central area. Then there is tariff policy.

● (1510)

These are four major areas which must be co-ordinated with DREE if we really want to achieve real growth based on a solid structure in Atlantic Canada. I am talking about Atlantic Canada because I know it better than the Interlake region of Manitoba or, obviously, parts of Quebec, although Quebec in terms of its future, I say with respect, is not as positive when one thinks of the future, bearing in mind that some of its industries, the textile industry and the furniture industry in particular, are under pressure. At least in Atlantic Canada we have the fisheries which, now, with the 200-mile limit are the base for real growth. We have a potential for gas and oil which obviously will be a base for growth, and if we can develop these potentials on the basis of a viable DREE policy which tries to rationalize the conflicts in other areas then, I think, we could be on a new path, and perhaps ten years down the road this House in terms of Atlantic Canada might not even have to debate DREE.

In conclusion, a word as to the forum. If it is just going to be a parliamentary forum, a parliamentary committee, there is not likely to be substantive input or a worthwhile assessment of the experience of the last ten years. Some professors hold the view that rather than having an absolute policy, a department of regional economic expansion, the most effective way to help areas which are less fortunate than others would be to set up what I gather we were being asked to do in connection with the social development bill we passed the other day, that is, in effect, an over-all secretariat which would have a direct input into and direct power over some of the line departments so as to lessen the influence of competing bureaucracies working for their own interests and exercising indirectly an adverse effect on the development of the regions. This is an idea which, perhaps, might be considered if there were a proper forum in which to go into the whole question.

### *Regional Development Incentives Act*

While this is a quiet afternoon, the measure before us is certainly one of fundamental importance for areas where there is regional disparity, and certainly Atlantic Canada is one of them. I believe that after ten years of experience it is time to assess what has been done because there have been some bad strike-outs in regional development, as we all know. I do not need to read the litany of plants that grabbed some money and then went belly-up. In addition, there are obviously conflicts of interest which have found expression in this chamber in the last two or three weeks. Some have wondered why there should even be a DREE policy at all. I believe it is better to face the issue rather than defer it for another five years, so that ten years down the road we might have a better economy in all parts of Canada with the help of the present act.

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, I welcome the opportunity to say a few words on this bill because, as the minister has indicated, it is his intention to review the operations of the Department of Regional Economic Expansion and perhaps come up with another bill with an entirely different approach. In any event he intends to take a careful look at the operations of the department.

Sometimes a bill is presented to us as a *fait accompli*, by which time it is almost too late to influence its contents although, of course, we are given an opportunity to express our views. By that time the minds of the civil servants concerned have been made up; they have drafted the bill and the minister has shown his support. Members have an opportunity to comment and are in a position to say, later, "I made my speech but you didn't listen." The best time to talk about these things is while ideas are being exchanged and different approaches are being considered. The one which is finally settled upon is probably the one which satisfies most of the people in the department—the minister naturally puts in his political input. So I welcome the opportunity to make a few comments.

I am one of the fortunate few in the House of Commons who were here when the concept of DREE was originally introduced. I know that some hon. members, including the hon. member for Annapolis Valley-Hants (Mr. Nowlan), have the impression that it goes back to 1969. Mr. Speaker, that is not the year in which the idea originated. The original concept goes back to 1957 with the equalization concept. This did not mean there was any kind of fund or any kind of department established to operate in a particular region.

In 1961 the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) was minister of northern affairs. He introduced a measure which was known as the ARDA bill—the initials stand for Agricultural and Rural Development Act. I heard his speech at the time and I recall the comment that this was a new approach which would assist communities to instal sewers and a variety of other necessary works. They could even plant trees. I found it difficult to relate sewers and trees at that time; I could not understand how one bill could be so encompassing. But, as my hon. friend explained at that time, the idea was derived from a bill which had its origin in the United States. I can recall my hon. friend talking about reforestation in Minnesota. We have to remember that in those days the