

Regional Development Incentives Act

profitably in Nova Scotia; it is too far from the market and it is too costly to transport the goods. It requires a pool of expert knowledge. In this type of industry you cannot isolate yourself in a small community and hope to make a profit.

● (9:50 p.m.)

What happened was that Clairtone pretended to get out of the jam, but instead they got in deeper and the provincial government is now looking into the situation. I think they own practically all the shares, but the company is going down and I do not think anything would save it. I have talked to several businessmen about the Maritimes, some of them very knowledgeable about things in the area around Sydney. It is their opinion that this is the ideal place to establish a steel industry—not just the general, over-all steel ingot industry but a sophisticated steel industry. The coal is right there and 600 miles away at Sept Isles there is the ore. Although I think the coal has a high sulphur content, it is good for the production of stainless steel. But no one has suggested getting advice from the people who know, in order to establish an industry that would be viable. The same thing would apply elsewhere.

I suggest to the minister that before his department goes out on tangents they should consult those who are knowledgeable. It only needs two or three people knowledgeable about business to say that they want an industry in a certain area; I guarantee that within a week they could say what the right industry for that area would be and could give facts and figures. No department of government is completely foolproof. I would suggest closer liaison between department officials and people knowledgeable in business. Canadians would be only too happy to co-operate. On occasions, before an industry was established I have known people to comment, "I guarantee it will not work" and they were right. But they have also said, "This is the logical place for this type of industry."

Another example is the Gananoque area. I have heard many people suggest that without doubt this area would be ideally suited for a recreational area, for pheasant hunting. So it is only a few birds, but do you know that in Alberta they take in about \$13 million a year from Americans? Americans from New York State fly all the way there to shoot a few pheasants because we have not developed a closer area. The Gananoque area would be ideally suited. There are people within our department who have evidence that this would be a logical place, but it needs a little encouragement. I see the minister laughing, but \$13 million going into the Gananoque area would not be bad. Alberta has lots of oil and gas, so they are not worried about a few pheasants.

It is this sophistication that I ask the minister to consider and discuss with people who know the business to the extent that they could advise the department. The department would, of course, emphasize recreation in the many areas of Canada where recreation would be a logical and lucrative development.

Mr. Gilbert: I wonder if the hon. member would permit a question. I listened with interest to his remarks. He

[Mr. Otto.]

mentioned the Clairtone firm which has a television and hi-fi business in the Maritimes. I understand the reason for that was not only to create new industry in the area but to create a market in the northeastern United States. I understand that one of the main reasons they failed was—

Mr. Deputy Speaker: Order, please. The hon. member has the floor for the purpose of asking a question. He should ask the question.

Mr. Gilbert: Mr. Speaker, I am getting right to the question. The reason they failed was that other television companies would not provide services in the northeastern part of the United States. I wonder whether the hon. member has any advice to give Clairtone arising out of his experience, so that they could overcome this difficulty and make it a success in that area.

An hon. Member: Good question.

Mr. Otto: Mr. Speaker, the last thing I want to do is give Clairtone advice at this stage of the game, because I do not think any advice would be advantageous. What I meant to point out was that right from the beginning there was no possible way in which Clairtone, or the manufacturer of sophisticated equipment, could succeed in the Maritimes. I said that this type of industry requires a fluid and constant supply of sophisticated labour. That does not mean a stabilized supply. It requires, also, immediate proximity to the market, preferably away from the New York market which produces ten times as much and more cheaply. If the hon. member would review the history of Clairtone he would find that it should never have been located there. It would have succeeded in Toronto or Montreal, but certainly not in the Maritimes.

Mr. Gilbert: Mr. Speaker, one further, short question.

Mr. Deputy Speaker: If the hon. member has a short question which will take one minute.

Mr. Gilbert: Does the hon. member realize that only nine companies produce television and hi-fi equipment in Canada, seven of which are American, the two Canadian companies being Clairtone and Electrohome? If Clairtone collapses, all we have left is one Canadian company to service Canada and develop an export trade. Does the hon. member realize that?

Mr. Otto: Mr. Speaker, I was not discussing Canadianism or nationalism. I was giving an example of an industry going into the wrong place because of lack of foresight. It really did not matter what happened, the same result would have been obtained. If they had stayed in Toronto, their chance of success would have been much better and then we might have had two or three companies.