

makes us condemn the department and the government for the betrayal of an undertaking given four years ago.

• (1230)

Mr. Don Mazankowski (Vegreville): Mr. Speaker, in rising to support the motion proposed by the hon. member for York South (Mr. Lewis), and before getting into the main thrust of the motion, I wish to remind him that any time you have a socialist government you have a drab society. In addition, any time you get into the position where the three levels of government extract something in the order of 50 per cent of the GNP in the form of taxes, you are eliminating the freedom of the individual in the decision-making process thereby making society dull, unexciting and stale, and lacking in incentive. I believe that our main complaint against this government is its tendency to be socialistically oriented.

Our complaints against the Department of Regional Economic Expansion and this minister can be summed up in three areas. First, he has refused to give an accurate and precise accounting for the \$1 billion spent in recent years; second, he has failed to define clearly the objectives of the programs of his department and third, he has failed to listen to sound and constructive advice from his own officials, experts working in agencies similar to DREE. Further, he has failed to heed the advice of Members of this House. I suppose, however, we can understand his refusal to accept advice from this side of the House. This is a common practice of this government but it is very difficult to understand why the minister should refuse to listen to those on his own side of the House.

I am sure we all recall very clearly the words of the Prime Minister (Mr. Trudeau) in the Throne Speech debate in 1968 when he said:

The attainment of a just society is the cherished hope of civilized men. . . . To this end, the proposals . . . will include the establishment of a department charged with the objective of ensuring that people in all areas and regions of our country have as equal access as possible to the opportunities of Canada's economic development.

What is the record? By March 31, 1972, this government will have spent \$1,030,636,000 on regional development programs. To this may be added over \$200 million in loans. What has been achieved for \$1½ billion dollars? I submit, instead of the equal access to the opportunities of Canada's economic development which the Prime Minister promised, the depressed regions have had more than equal access to the economic stagnation which has been created by this government.

What has the Minister been trying to accomplish with his billion dollar expenditure? What has he actually accomplished? One of the clearest descriptions of the minister's performance was provided in the report of the Atlantic Provinces Economic Council as follows:

The refusal of Jean Marchand to commit the Department of Regional Economic Expansion to the Atlantic Development Council's 1981 goals and targets for the Atlantic region is as inexplicable as it is disappointing. . . . It reinforces the suspicion that DREE is nothing more than a well-financed giveaway program to be extended or retracted according to the economic and political exigencies of the moment.

When members of this House and the public in general express criticism of the manner in which the Department

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of Regional Economic Expansion has functioned, particularly in respect of incentive grants, it has always been pointed out that we should consider what the alternatives might be in the form of welfare payments. Mr. Speaker, if the proposals put forth by the department are nothing more than a form of welfare, then let us do away with the department and combine it with the Department of National Health and Welfare. I believe that is a weak-kneed argument. I think the objectives of the programs should be to create jobs and meaningful employment, not to disrupt the social and economic well-being of areas as well as the job in other parts of the country. We find our criticisms being answered with statements of that nature, and we can only assume that this is a give away program which is perhaps tainted with political patronage.

Mr. Marchand (Langelier): Disgusting.

Mr. Mazankowski: The most visible of DREE's programs has been the payment of so-called industrial incentive grants under the Regional Development Incentives Act. Payments are still being made under RDIA's predecessor, the Area Development Incentives Act, but DREE will not reveal the amounts paid under each. For the two programs together, \$244 million of public funds have been spent since this regime took over. In addition well over \$100 million has been offered to companies but not yet paid. The department has evaluated the earlier ADIA program but is keeping the results secret. They claim it was surprisingly good at creating jobs, but provide no proof.

We have evidence that some projects were granted extensions while others were not, and no reasonable or legitimate explanation was given. A firm in my province of Alberta, the Smoky Lake Processing and Dehydrating Plant, complied very closely with the criteria of the old ADIA program but were refused an extension while other firms in the province of Saskatchewan were granted extensions and are going ahead with their projects, although all started at basically the same time. I have asked for the production of papers in this House but the government has failed to produce them. This leaves a cloud of suspicion over the manner in which some of these grants are allocated and awarded. The current RDIA program was designed to provide for an active planning role by the federal government and better judgment in choosing firms to receive grants. As numerous concerned and responsible people outside the department have stated, no such effective planning and judgment is evident.

Our member for St. John's East (Mr. McGrath) has pointed out that of the 49,266 jobs to be created through DREE's announced offers, at least 12,000 will likely never be created. Of the 18,537 jobs which DREE announced as expected to be created through grant offers in 1969 and 1970, 4,404 were later lost when the offers were withdrawn, declined or a firm went bankrupt. Of the offers accepted and announced up to the end of November, 1971, those relating to a total of about 5,000 jobs have subsequently been withdrawn, declined or lost through bankruptcy. Since these losses are often not made public until more than a year after the initial announcement, it seems probable, in view of the experience with the 1969-70 announcements, that 12,000 jobs that have been