

*Regional Development Incentives Act*

least, has adopted in this regard. We are getting an unhealthy dose of the old medicine, "Ottawa knows best". I do not believe this has worked in the past. I do not believe it is possible for the minister or his officials, no matter how competent they may be as individuals, to sit down and on each and every occasion say: We know that industrial development programs, whether they be for eastern Canada, northern Ontario or the northern part of the prairie provinces, must automatically exclude tourism and service industries. Up to this point I have not dealt with service industries, but it seems to me this is an almost theoretical approach to the question of industrial development.

I am neither an industrialist nor an economist, but I have enough practical experience in regard to the attraction of new industry to difficult or underdeveloped regions to know that you cannot talk about one segment of the economy in isolation from every other. It seems to me that the minister is attempting to talk specifically about a manufacturing base, resource or industry, and is automatically ignoring what must, in my opinion, go hand in glove with it—the service industries.

You can argue what must come first, whether you must have primary or secondary industry, or whether without sufficient services in existence it will not be attractive for new industry to be set up in an area. I think this is a philosopher's argument that has nothing to do with the facts. We are faced with a real situation which says to me, and obviously to other parties in the house, that when you are seeking to attract industry to an area you must consider the question from the broadest possible viewpoint which takes into account manufacturing, tourism and service industries. You should not attempt to exclude in any way the possibilities that may be resident in an area.

I shall now comment specifically on the amendment advanced by the hon. member for Oshawa-Whitby. I do not wish to appear contentious in this regard, but there are two problems which I believe place my amendment above that of the hon. member. He knows one of them because I mentioned it in committee. I believe that all forms of industrial activity could, without too much difficulty, encompass tourism. There may be considerable problems in this regard, and I have spoken to lawyers who agree with me. When you talk about service industries it is not entirely clear what is meant, and we might become involved in all kinds of legal actions that could arise in this respect. I refer to

whether or not service industries could be included under the term "all forms of industrial activity". This fear would haunt me if we were to accept the amendment of the hon. member for Oshawa-Whitby, but it could be easily dispelled if the amendment we have advanced were adopted.

The second problem in connection with the hon. member's amendment I was advised of at a later date. It concerns the implementation of the amendment. The amendment of the hon. member does not include any provision for clause 4 of the bill covering the authorization of incentives which would make the program more workable. There is no provision, particularly in respect of subclause (b), which would in fact make service industries eligible for special grants. In view of the fact that this is a very important part of the new program, I think we would be going only half way in our efforts in this regard. If subclause (b) were adopted without the addition of the words I have proposed in the consequent amendment, we would greatly weaken the important and useful attempts being made by the hon. member for Oshawa-Whitby with regard to the bill.

I therefore suggest that in these aspects the amendment does not fully satisfy the concerns we have about two of the basic industrial activities that we feel very strongly should be encompassed in the scope and command of the legislation.

**Mr. John Burton (Regina East):** Mr. Speaker, I believe the hon. member for Oshawa-Whitby (Mr. Broadbent) is to be commended for moving this amendment because it provides a very important approach to the legislation and brings to the attention of the house a point with regard to which a decision should be rendered by the house. It seems to me that when considering the motion moved by the hon. member for Oshawa-Whitby we should keep in mind the basic purpose of the bill. I believe I can set out the basic purpose of the bill, as it is understood by those in this part of the house, no better than by reciting its full title, which is:

An act to provide incentives for the development of productive employment opportunities in regions of Canada determined to require special measures to facilitate economic expansion and social adjustment.

There was in committee a good deal of discussion on this matter. I must say I was not fully satisfied with the answers provided by the minister at that time. The minister came forward with the concept that manufacturing activity within designated regions