

*The Address—Mr. Gray*

of my previous reference to this important question. He was not present in the last parliament but he was present in the parliament before and I regret I can find no reference either to the hon. member for Kent (Ont.) or his government doing anything about it, although they had ample opportunity to do so.

The problem of freight rates from southwestern Ontario is serious and I think it is time something was done about it. That is why I was personally pleased to see the statement in the speech from the throne that "comprehensive proposals to reform public regulation of the railways and to facilitate the adaptation of the railway system to present and future needs" will be placed before us for our consideration, and I would urge that the government do everything possible to make sure that these proposals include measures to remove the present inequities in freight rates that are hampering industrial development in southwestern Ontario, and that they be brought before us for consideration at the earliest possible date.

I would suggest to this house and to the hon. member for Kent (Ont.) that the correction of the inequitable freight rate situation will not alone and of itself bring about a cure of the economic sickness that has been troubling certain communities in southwestern Ontario for the past several years. I would say, Mr. Speaker, that a meaningful program of special incentives of the kind put into effect by this Liberal government last fall are also needed to bring economic well-being to areas of slow growth and chronic unemployment not only in southwestern Ontario but in other parts of Canada as well.

The hon. member for Kent (Ont.) and others of his party unfortunately attempt to heap scorn on our area development approach to ending unemployment but this is far different from what other less partisan observers have said. As one example I would refer to the special committee that was appointed by the Windsor, Ontario, city council to look into the economic problems of the area. It was composed of representatives from labour, management and the University of Windsor. It brought down a report with a number of special measures. Freight rate adjustment was one of them, but only one. The rest were financial incentive measures of the type of which the hon. member for Kent (Ont.) thinks so little. This report was adopted by the Windsor city council and all the municipalities in the Windsor area, was supported by a number of cities in New Brunswick and Nova Scotia with similar problems, and was presented to the previous government who, although they had the brief some six weeks

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before the delegation came, did not even bother to read it before meeting the delegation.

Regional development programs, where special incentives are made available to certain areas of slow growth, have worked very successfully in England, France and Italy and a number of other European countries. Many of the areas that have been classed as designated areas by this government, and thereby made eligible for the incentive program, were classed as labour surplus areas by the previous government. I must say that the unemployment figures during their regime show that the previous Conservative government certainly knew how to create labour surpluses. This made these communities eligible for something called double depreciation, a weak-kneed form of pseudo-incentive that the business world agreed was useless and ineffective.

The hon. member for Kent (Ont.) in his remarks has spoken of "ill conceived forays in unemployment." When he used that phrase, I suppose, subconsciously he must have been thinking of his own government's labour surplus area program, I have never heard of his criticizing this particular program and I must conclude that he would prefer something ineffective, provided it is done by his party, to something effective done by someone else. The hon. member for Kent (Ont.) pointed out—and I quote him from page 212 of *Hansard*:

It is my considered opinion that no short term bargains will have any effect on interesting a major industry to enter a designated area.

In this he is probably echoing the views of many of his fellow Conservative members who are not from the Atlantic provinces. I should point out to this house that the one time—the only time the previous Conservative government might have been said to have any success in interesting a major industry to enter what would now be called a designated area was when it in fact made a short term bargain with a European automobile company to locate in Nova Scotia, a bargain involving the duty free entry of auto parts for a certain limited number of years by order in council. I have never heard of the hon. member for Kent (Ont.) criticizing this particular short term bargain involving these particular monetary advantages which permitted a European automobile company to establish itself several thousands of miles from Chatham, Ontario. There is one aspect of the way this was done that he might well have criticized, because at that time there was no definite area development agency or program, as there is now, to handle these matters; and there is no indication that I have been able to find that Chatham, Ontario, or Windsor, Ontario, were even considered by the previous government