

*Regional Development Incentives Act*

to the right for their humanity in not taking an opportunity that they thought they saw. The fact is that we do commend the minister on the responsibility that has been assigned to him. Some of us have watched his progress—at least his movement—from the Social Credit back benches to the Liberal back benches, to the Liberal middle benches, and now to the Liberal front bench. I suppose the question to ask is: where does he go from here?

**An hon. Member:** Across.

**Mr. Knowles (Winnipeg North Centre):** Yes we have room over here. The minister said in his opening remarks with respect to this bill that he was confident members would be happy to give speedy passage to it. I can tell him that he is one of those fortunate ministers who has been assigned a Friday afternoon for his bill. Usually a minister who gets his bill in on Friday afternoon gets it through.

That does not mean it is an open and shut case that grants under the Department of Regional Economic Expansion should be continued for five years beyond the present expiry date without some pretty searching questions being asked. I feel that the glamour and fanfare with which the Department of Regional Economic Expansion was launched have not really been matched in the kind of program that has made a significant attack on disparity amongst the regions of Canada. I would hope the new minister will realize that if he is going to get congratulations from members on the opposite side of the House a year from now he has to make some real improvement in the administration of the DREE program.

As the minister knows there have been assessments of this program, some of them academic as one of the previous speakers noted. One was the Springgate assessment of a few years ago in which statistics were adduced to show that very few industries receiving DREE grants chose the place to locate their industry simply on the basis of such a grant. As I say, the evidence is there that in many cases these industries had already decided where they were going to locate, and the grant was just a little assistance. It is still true, as the last speaker pointed out, that when one reads down the list of DREE grants, the names of the central provinces keep occurring again and again.

**Some hon. Members:** Hear, hear!

**Mr. Knowles (Winnipeg North Centre):** It is just occasionally that the other provinces come into the picture. There are those who have suggested that tax incentives and other such methods would be just as effective, if not more so, in achieving decentralization. Of course it is still true that one of the best ways for the government to achieve decentralization is to see to it that some of its operations get put out into other areas. The hon. member for Winnipeg South (Mr. Richardson), who is also the Minister of National Defence, had some success in getting the Royal Canadian Mint moved to Winnipeg, but there are some other things to be decentralized to Winnipeg.

**An hon. Member:** Air Command.

**An hon. Member:** That has left.

**Mr. Knowles (Winnipeg North Centre):** I would not mention the air industry.

**An hon. Member:** I did not mention the industry. I said Air Command.

**Mr. Knowles (Winnipeg North Centre):** My friend admits he did not mention the air industry. That is not exactly one of the accomplishments of the Minister of National Defence.

● (1500)

The Manitoba government said some time ago that if the government, instead of giving grants, were to move the government's computer centre to a place like Winnipeg, that would be a real move toward decentralizing industry.

I remember many years ago being part of a group which was having a friendly, informal discussion with Mr. St. Laurent after he had made one of his trips across Canada. Those were days when things were not quite as confused and discouraging as they are now. He found life in Canada pretty good, but the one thing which bothered him greatly was regional disparity. He wanted to do something to correct regional disparities. It bothered him greatly that there were regions of the country, particularly in the Maritimes, where conditions were so much below what they were in the central provinces and other parts of Canada.

I suggest that the minister should not merely regard his job as an appointment, as a job he must fill, as a position which will entitle him to be called "Honourable", and so on. He heads a department which began with a great deal of fanfare. It was to do wonderful things. Now it has become bogged down as an administrative operation and is falling far short of its original goals. Even my friends who wanted to pay the minister all the compliments they could today had to include in their remarks expressions of concern having to do particularly with the maritime provinces; they were concerned about the failure of DREE to do very much for their areas.

There is another criticism which a person whose name is well known across the way, Hon. Eric Kierans, has made. He says that the way DREE grants are handed out means that they will do much more to create capital intensive industry than labour intensive industries. Even today, when the minister said that according to latest reports the things DREE has done are expected to create about 122,000 direct jobs, I notice that the minister had to use the words, "expected to create." No doubt that figure was arrived at by adding up the sum of jobs it was thought would be created by each and every application. The firms concerned have said how many jobs each grant will create, the total adds up to 122,000, and the minister said with a straight face that those DREE grants are expected to create 122,000 direct jobs. I want to know, is it to be 122,000, 100,000, or 50,000 jobs? This is why I believe Eric Kierans' criticism needs to be considered. He suggested that in all probability we are helping to establish capital intensive activities rather than labour intensive industries.

Although we wish the minister well, we say that the aim is to create jobs. I notice that if you compare the current government telephone directory with one of a few years ago, you will see that some jobs have been created. A couple of years ago we had the minister, deputy minister, and two assistant deputy ministers. Now we have six assistant deputy ministers. Some new jobs have been