

Regional Development Incentives Act

notice the minister nods his head. Unfortunately, that nod is not recorded in *Hansard*.

Mr. Bell: It is now.

Mr. McGrath: I hope the minister will enlarge upon this aspect, because we realize there are serious problems in Montreal. I have no doubt, though, that there is also a serious problem in Vancouver where there is a high rate of unemployment. How will Vancouver react? I am sure that if the figures were examined it would be found there was serious unemployment in Edmonton and in Toronto. The situation requires that a special development program be implemented. But I ask that the government should heed the consequences to the Atlantic provinces, to northern Ontario and to some of the prairie regions of this country by his designation of Montreal. Surely, in the first instance, the concept was to enable the regions I have mentioned to compete with large industrial areas such as Montreal. It must be logical, then, to suggest that what the minister has done has been to defeat the very purpose of the act. And this is unfortunate for the Atlantic provinces, especially.

Reaction has already come from the Atlantic provinces economic council and from the government of New Brunswick. I hope that when this bill goes before the committee witnesses from these areas will be able to tell the committee and, hopefully, the minister, exactly what this will mean in terms of the government's regional development policy.

Furthermore, we believe the act fails to give the government control of the development process. Under the program as now set up, the government is merely a passive agent. The legislation has been operated in such a way that provincial governments, municipal governments and local bodies have been largely ignored. Yet the minister tells us that we must continue on a basis of trial and error. I contend that there is no need to continue on such a basis. I suggest to the minister, and to his senior officials, that if they were more willing to consult with provincial agencies, planning boards and municipal councils a lot of these errors would be eliminated. A little humility on the part of the department would help greatly.

Finally, we believe this act has not been fully selective in its application and that it has failed to recognize the economic facts of life in this country. These facts dictate that there must be a regional approach to regional disparity and not one blanket national approach as this government insists.

Mr. John Burton (Regina East): Mr. Speaker, I am happy to have an opportunity to say a few words on this bill on behalf of members of the New Democratic Party. Bill C-205 provides for a number of important changes in the Regional Development Incentives Act and it would appear to be, as the minister indicated, a major component of the government's program to improve economic conditions in Quebec.

To the extent that it may accomplish something useful in this regard we welcome it, but because of factors I

[Mr. McGrath.]

shall be discussing later I have serious doubt whether it will accomplish the desired end. Some of the provisions of this bill require close examination. But before we analyse the specific proposals and get into the nuts and bolts of the bill, it is necessary to take a good look at the government's regional development programs and their relationship to general economic policy.

• (4:20 p.m.)

Regional development programs were presented by the government as a major weapon in the so-called war on poverty. The government introduced its programs with widespread support throughout Canada, as well as from all parties in the House of Commons. Few ministers have been as fortunate as the Minister of Regional Economic Expansion (Mr. Marchand) in the extent of the support that he received for his new program.

It will be generally recognized that instant solutions are not possible in dealing with the types of problems that are tackled in regional development programs. However, the new program, which has been developed on the experience of the old area incentive development program, has been in effect for a year and a half, and Canadians have the right to ask just how that program has been operating. A great deal of money has been made available to this department, contrary to the experiences of other departments and, I suspect, to the envy of some of them. But we must now ask whether we are receiving value for our expenditures, whether these funds are being used in the best possible way.

The minister's remarks in the debate on November 19 gave us part of the answer. He indicated that under all incentive programs to date there had been an investment of \$1.1 billion, \$205 million of which had been provided through grants. Some 36,000 new jobs were claimed, both directly and indirectly, consequential upon the incentive grants made available. However, as I understood it, direct jobs were only in the order of some 15,000. The fact is that many of these new plants are not yet in operation, and some may never be in operation. Furthermore, the minister admitted that some new plants were constructed independently of incentives. I suggest the record is a pretty sorry one. In terms of number of jobs created, the performance has been pretty dismal when related to the unemployment figures revealed today showing 476,000 people out of work in November, 1970.

It seems to me that one of the problems we are contending with in the government's program is the ad hoc approach that is being used in many instances. The government seems to have dashed in here and dashed in there in order to help put out economic fires of one sort or another. Very often they used a single program approach centred for the most part on industrial incentives, industrial incentives restricted mainly to secondary manufacturing industries.

We now have the special Quebec program that is designed to deal with problems with which we are all familiar and which have been discussed at great length in recent months. With regard to the remarks made by the minister, I want to make it quite clear that any