

Regional Development Incentives Act

real, Quebec, Gaspé or elsewhere: If we give you a certain amount of money, are you ready to move into a region which is not developing and needs to be developed?

As for the service industry, it does not need, in general, to stimulate primary industry since, as I mentioned earlier, if there is a mine somewhere, it is not the provision of an incentive that will induce this business to settle there, but the mere fact that the mine is located at that place.

Forestry resources are also to be found in very definite places, as well as water resources. So there is no need to provide incentives in order to induce those businessmen to settle in a particular area, because other factors prompt them to do so.

But the secondary industries themselves—

[English]

Mr. Broadbent: Would the minister permit a question?

[Translation]

Pardon me. Do you allow me a question?

[English]

Mr. Marchand (Langelier): O.K. I will try to answer.

Mr. Broadbent: I did not get the latter part of the minister's remarks because I was trying to get his attention, but he has just claimed that primary industry would normally need subsidization in order to be attracted into an area, and with this I am in complete agreement. But as the bill now stands the minister has broad discretionary powers in any case, and so it is not a matter of granting money to all mining firms that come to him wanting money. He has the discretionary power to decide whether or not in a given situation a grant should be provided. Would he not be agreeable to broadening the terms of the bill to provide for such grants in isolated cases?

Mr. Marchand (Langelier): I mentioned before the standing committee that it is possible to do that under the law establishing the department. On an ad hoc basis we can do so if in one particular region this is the only activity that can be developed, but the purpose of this particular piece of legislation is to encourage secondary industry to move into slow growth regions in order to create employment, and if that is done service industries will develop anyway. Service industry does not need our help if there is economic activity in secondary industry.

[Mr. Marchand (Langelier).]

[Translation]

Mr. Speaker, I think that we can do all the things which have been suggested by the hon. members who spoke before me. We can do it, not necessarily under this legislation but under the bill establishing the department. There is no reason why this legislation, whose main purpose is to create employment through development of the manufacturing industries, should deal with other activities.

Mr. Henri Latulippe (Compton): Mr. Speaker, I should like to ask a few questions from the minister, mainly with regard to the previous legislation.

Will the new legislation supersede the previous one? For instance, under the old legislation, the Canadian government paid a third of the cost of industrial development, a third of the cost of the construction of buildings and machinery. Will this new legislation take away these advantages provided under the former legislation?

Furthermore, I should like to get some explanation concerning the security for the loans. Will the new legislation back up the loans in the case of a non exporting industry? If a Canadian industry disposes of its products only on the Canadian market, will it be entitled to the same benefits or will they be only the privilege of an exporting industry?

I put those two questions to the minister because they are related to something that does not seem too clear to me. I should like the minister to throw light on the matter.

With regard to the amendment and the development of tourism, I think it would be a good thing if it were possible to include this amendment in the act. It strikes me as fairly logical. It, seems to me the minister could incorporate it in the bill. If the bill says otherwise that the tourist industry is entitled to certain advantages, I fail to see why this could not be spelled out very clearly, so as to specify what benefits the industry could derive from the new act.

I am quite pleased with the bill and all the happier because the minister is introducing a new incentive for industry. The industry is in dire need of it because we are now in an industrialized country which must be developed from that point of view. We therefore need every possible government assistance, not merely to create new industries but also to sell what industry produces.

The main problem in industry today is that of marketing products. Several industries have a high rate of production and have