

*Regional Development Incentives Act*

mer Corporation. It has proved its worth. It has not been a costly venture; yet it was a venture that nobody, but nobody, wanted to take over. In my opinion, what it developed would not have been developed by anyone else in Canada. I will not go into the background of what it did for the war effort of Canada and the United Nations. I do not have time.

**Some hon. Members:** Go ahead.

**Mr. Peters:** The public is aware that Canada is in serious difficulty in terms of the direction which it should follow. We all know that when one of our companies wanted to sell trucks to Cuba—and we are dealing with Cuba—it could not, because the Canadian automobile manufacturer concerned was told by the directors of the parent company in the United States that there were to be no such sales. And why were there to be no such sales, Mr. Speaker? The parent company in the United States was afraid that if its Canadian subsidiary sold trucks to Cuba, the company would contravene the United States selling to the enemy act. The people of Canada were not fooled by this. They knew that the United States could stop the Ford Motor Company on this side of the border selling cars or trucks to Cuba. It is, therefore, obvious that the United States controls automobile production in Canada. It is true that we assemble and produce some vehicles as a result of the Canada-United States Automobile Agreement. Nevertheless, the important decisions are made in corporate boardrooms on the other side of the border.

This bill, Mr. Speaker, has some merit. It adds some money to the economy and extends the areas to be helped. The minister himself indicated, I think, that in some ways it is detrimental. Nevertheless, unemployment has spread. No longer is it contained in slow growth areas; it has spread to the major cities and we are attempting to fight it. I hope that we shall have an opportunity to examine these major problems when the bill goes to committee.

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

**The Acting Speaker (Mr. Laniel):** Order, please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At one o'clock the House took recess.

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**AFTER RECESS**

The House resumed at 2 p.m.

**Mr. Cliff Downey (Battle River):** Mr. Speaker, I feel a degree of sympathy for the Minister of Regional Economic Expansion (Mr. Marchand) who is piloting this bill through the House. For a department such as his to be effective, there must be a degree of ministerial discretion. When a department has this discretion, it is subject to a good deal of criticism. The Department of Regional Eco-

[Mr. Peters.]

mic Expansion is different from the Department of National Revenue where everything is cut and dried. The Department of National Revenue is subject to legislation and regulations. In the event of an error, this can be easily cleared up by the courts.

I wish to draw some matters to the attention of the minister and the government. Incentives are a necessary part of regional economic expansion. On page two of the minister's news release, he outlines some of the principles he will endeavour to follow. The minister stated that there will be loan guarantees for money to establish new plants, as well as to expand and modernize existing plants in slow growth regions. He further stated that this will include some commercial operations that have not been considered before, such as providing convention, hotel and office facilities. This is all very well. However, with the diverse nature of the problems in this country, possibly too much emphasis is being put on industrialization. I suggest industrialization when necessary, but not necessarily industrialization.

Possibly industrialization incentives in areas such as Montreal, Hull and southeastern Ontario will be of some value, but in many areas of the Atlantic provinces where there is other potential, industry may not necessarily fill the role. The problems of Montreal and the problems of Newfoundland cannot be compared. To attempt to solve the problems of both these areas by industrialization might not work. I remember the time penicillin was discovered. It was certainly a great boon to mankind. It also benefited animals greatly. Although penicillin is very useful and effective when treating pneumonia and other infections, many amateur veterinarians administer penicillin to animals suffering from colic for which it is of no value. By primarily applying industrial incentives in this bill, the minister is acting in a similar manner to those who administer penicillin to treat every kind of problem.

The Minister has stated that Montreal, Hull and southeastern Ontario will become designated areas after the passage of this bill. I agree that these areas do have problems and may require assistance. But it was only a few months ago that a group from my area in Alberta wanted to start a rapeseed crushing plant in their community. God knows, Mr. Speaker, they need the support of additional industry, since people are leaving the farms and the economy is in great difficulty. This group formed an organization to pursue this idea, and it is still being pursued.

● (2:10 p.m.)

I went to the minister's department to try to get some help for them, and I made what I thought was a legitimate request for assistance. However, I was told that this group could not get any funds because their area had not been designated and there would be no redesignation until 1972. I pointed out to the department that the need was there, and asked them why it was not possible to make a redesignation at this time. The minister's department replied that it was not possible to make a redesignation. As a result I was very disappointed to see that the minister's department has been prepared to redesignate other areas in Canada at will but has totally written off my area in this regard.