

*Regional Development*

Now, with these criticisms of the department and its failures, and I repeat that I make them not with any pleasure but rather with sorrow as well as with anger because of the necessity to do this, I view the elimination of regional disparities as one of the major objectives of the government of Canada and of this parliament. The immense failures of this department in this area, and the fact that there is no plan or strategy that indicates any likelihood of success in the future, are the reasons we put this motion on the order paper.

If I saw in the department, in any statement by the minister, in any organization that has been set up, any instrument established that showed there was a movement towards a plan, and that we knew what the plan was, then perhaps I would be ready to sit back and wait for ten years to see what the results were. But there is no indication that the department is changing its policies and programs. There is no indication of a plan or strategy, and therefore the failure is bound to continue. I want to suggest seven specific guidelines, proposals, objectives that this department ought to have if it is going to have any success whatsoever with this very difficult, almost intractable problem of regional disparities and regional underdevelopment.

I say first, Mr. Speaker, that to be effective, both in the short-run and in the long-run, we must develop an industrial and economic plan or strategy for the less developed regions of Canada, but that merely to have a plan for those regions will not do the job either. This plan must be part of a national plan for the use and allocation of resources so that, for example, there is a relationship between developing the pulp industry in one part of Canada and the same industry in another part of Canada, so that doing something in one section of the country is not harmful to another section of the country, because therein lies self-defeating regression rather than productive progression. Therefore, we need a comprehensive set of objectives in each region suited to the physical and human resources of that region. We do not need the building of monuments to Joey Smallwood or to somebody else. We need the development of job intensive industries, of a job intensive economy in Newfoundland, New Brunswick and Nova Scotia, related to the human and physical skills and resources available in that region.

Secondly, I urge that the program of this department must be directed to building and retaining viable communities rather than being concerned with enterprises whose main objective is the making of profits. If these underdeveloped regions of Canada were regions where profits could be made, the corporations would have been in there without the hundreds of millions of dollars that the minister offers them. They would be there because of the profits available. The reason they are not there is the fact that they cannot achieve in those areas the level of profits in which they, the corporations, are interested. Therefore, the total program has to be re-oriented to building human communities rather than being concerned with the making of profits.

Thirdly, the policy and direction of the program of regional expansion must be changed so as to enable direct public investment, where necessary, or a combination of public and private enterprise. A policy based on holding

[Mr. Lewis.]

out carrots to private corporations has failed in the last 100 years and will fail in the future, for the simple reason that if investment in the disadvantaged areas could be made sufficiently profitable, the corporations would already be there without the carrots. Indeed, I suspect a good many of the plants would have been established there without the grants from DREE, and that the grants have merely increased the profits of the corporations, most of them foreign owned, instead of building up the economies of the areas. To make the program work, there must be direct public participation in one form or another for the social purpose of providing Canadians in these areas with the opportunity of developing conditions of equality with those in other parts of the country.

Fourthly, the policy of grants and loans and concessions to private corporations should be changed so that government grants would be matched by an equity interest in an undertaking for the purpose of giving the public adequate control over the activities and objectives of the enterprise.

Fifthly, all this also means that the department must play the role of initiator of projects and plans rather than merely replying to applications for grants. This is a very important change that must take place in the department. It ought to be developing plans and developing the kind of industry, the kind of enterprise, the kind of economy that is necessary, and go out and do this rather than wait for applications to be made to it.

Sixthly, I suggest that there is urgent need for new machinery which would involve direct participation by the provinces—not indirect, not merely consultative—and by non-governmental organizations in the development of the industrial and economic plan. In connection with representation on boards and agencies advising or assisting in this work, there must be measures to prevent conflict of private interest, something which is present in the advisory board which the minister now has.

Seventh, and finally, Mr. Speaker, to work effectively my party proposes that a meaningful regional development program requires that the Canada Development Corporation be re-organized and reshaped so that it becomes an agency responsible to parliament through the government, with large investment funds garnered by law from corporate investment sources as well as from individual Canadians. The role of this corporation must be redefined to change it from an independent mutual investment fund, which it now is, and which makes the CDC a socially useless organization, to become the source of development planning and investment, particularly in the less developed regions of the country.

As I said when I began, Mr. Speaker, I know of no task of this parliament or of the central government more urgent, more important, socially more necessary and morally more compelling than the job of equalizing opportunities and conditions across this country. This is what we thought the Prime Minister had in mind in 1968 when he made his commitment. This is what we thought the government had in mind when it set up the Department of Regional Economic Expansion. It is the failure of this department to achieve anything like the performance for which it was established and the failure of any indication that it has changed policies and programs and developed strategies and plans to promote equality in Canada that