

The Budget—Mr. Lumley

discussion with businesses there are substantial numbers of projects which business would like to undertake. Because of the debt-equity ratio and cash flow problems, they have not been able to undertake these. We think this new streamlined program which will be delivered on a regional basis will address the major program elements in the life cycle of a company as well as the product. We will be able to achieve the goals we set. My guess is that in fact we will see a far greater change in employment creation in some of the regions that have severe structural problems.

Mr. Darling: Mr. Speaker, I was most interested in the Minister's remarks. I hope he will verify that the new Department, DRIE, is not "dry" as far as a good many ridings in Ontario are concerned, including part of my own riding. The Minister will be well aware of my questions to him time and again as to when he would give serious consideration to extending some of the boundaries. I believe in his remarks he said that that would take place in certain areas of which he was aware. There is a certain section of Central Ontario which is not eligible for DRIE grants under the new set-up.

I am wondering whether the Minister will now have second thoughts in order to help the unemployment situation and speed up the possible enlargement of the area. The Minister, as a former chief magistrate of a very thriving municipality, is well aware how important are those grants. Would the Minister let me have his comments on that?

● (1130)

Mr. Lumley: Mr. Speaker, as I said in my speech, we will shortly be tabling the legislation. I know the Hon. Member has a sincere interest, having spent time in municipal and regional development, and I hope he will encourage his colleagues to give speedy passage to this legislation. Once that legislation is passed, every single area of this country will be designated. I will be coming out with more details in terms of the designation. The designation will be enriched, depending on the economic disparity in the various areas of the country. On the fundamental question the Hon. Member asked, every single area of the country will be designated for financial assistance, depending on the individual category.

Mr. Neil: Mr. Speaker, I wonder if the Minister could indicate whether this new program is a drying up or recycling of DREE. Does it replace DREE? Where does it stand in the picture? Are the two programs running on a parallel basis? How much money will be available for this Industrial and Regional Development Program? How will that money be allocated on a regional basis?

Mr. Lumley: Mr. Speaker, the money allocated, with the additional \$300 million the Minister of Finance has given us for our programs next year, coupled with our existing reference levels, will represent approximately \$2.5 billion over the next two years for delivery of financial assistance to companies right across the country. With the passage of Bill C-123, which has just had first reading in the House, and the passage of the legislation for the new mandate of the Department of Regional

Industrial Expansion, there will no longer be a DREE Department as such.

As the Hon. Member knows, the various line Departments—Agriculture, Forestry, Transportation, for example—will be taking over the old general development sub-agreements as they pertain to their specific responsibility. The general development sub-agreements on, for example, industrial parks will come under the new mandate of DRIE. The Regional Development Incentives Program which formerly existed under DREE will now be rolled over into the new Industrial and Regional Development Program.

We have condensed a substantial number of programs into seven major programs. They will be put into a booklet which the Hon. Member can take to each and every small and medium-sized entrepreneur in his constituency. That plus the regional delivery will streamline the process. We will be able to assist small and medium-sized entrepreneurs in every part of the country in a much better way than they were addressed before.

Mr. Fretz: Mr. Speaker, I know that tourism comes under another Minister's portfolio, but with the Minister's enthusiasm for the budget today, can he tell us why the budget does not provide any incentive for the tourism industry? Many of these businesses are small, family-operated operations. Tourism is a labour-intensive industry and should have been addressed by the budget. The spinoff is tremendous. It affects building contractors, materials, furniture, appliances, food, entertainment and travel. It is a tremendous generator of taxes. It is a \$16 billion industry. I wonder if the Minister would address that question.

Mr. Lumley: Mr. Speaker, I have always made it a policy not to interfere in my colleague's direct responsibilities. As a former businessman, I think the big winner in the budget of the Minister of Finance was the small and medium-sized entrepreneurs in every single sector right across this country. For the first time in many years, the Minister of Finance has addressed the fundamental balancing problems of small and medium-sized entrepreneurs. When this economic recovery program works, I cannot think of an industry that will benefit more than the tourist industry because there will be more disposable income in the hands of a few, more Canadians working, more people travelling, more people spending disposable income. The main beneficiary of that will be the tourist industry.

Mr. Blenkarn: Mr. Speaker, while the Minister is talking about disposable income, maybe he can tell us how a \$5.7 billion increase in taxation helps disposable income. Can he tell us with regard to his new program called the IRDP when the applications will be available? Is it a grant program? Is it another program that everybody can get or is it subject to ministerial discretion? Who gets the money and on what criteria? We have now had another alphabet soup program announced. Perhaps the Minister can give us the details of this one.