

*Government Organization Act, 1983*

Egmont (Mr. Henderson) flew to his riding and back in a JetStar. He had a very important grant to hand out, Mr. Speaker. It was for \$3,500, about the cost of the jet fuel consumed by going there and back. Why did the Hon. Member go there? What was so important about this cheque? It was not the fact that the money was going to some local community organization. It was far, far more important that he see his picture on the front of the paper. He could have sent this cheque by mail. But he wanted to have stories about him on the radio program that night. This is why he took that \$3,500 and wasted taxpayers' money, just to get his picture in the paper.

● (1110)

**Some Hon. Members:** Oh, oh!

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

**Mr. Wilson:** As I said, we will see an awful lot more of that over the next little while. When we look at the green spaces on the other side of the House, we will know where those Members are; they are handing out the money of this new Department. We see the Hon. Member over there licking his chops as he thinks about all the cheques he will be handing out in his riding. It may be for 12 more months. Then he will have to watch. He will have to read the papers as a Conservative Member will represent that part of the country.

Let me just summarize this particular point. With this legislation the Government of Canada is distorting a very important structure of Government for clear and blatant political reasons. The new IRDP, Industrial Regional Development Program, announced last June gives the Minister tremendous discretionary powers. It removes the more specific objectives of about half a dozen Government programs and replaces them with one bland program with ministerial discretion to say where the money will be spent and how it will be administered—total ministerial discretion. We can be excused from being too cynical when we consider the uses that might be made of this discretion, but one only needs to look at what has gone on in the past to understand what is likely to happen in the future.

The Minister—again I wish he was here to listen to my remarks—has protested that the whole program will be politically tamperproof—I believe those were his words—because decisions will be taken at local levels. Let us discuss this. We have seen that under that particular program decisions involving over \$250,000 have to be referred to Ottawa and decisions over \$500,000 will be taken in Ottawa. Thus it is not tamperproof. We do not have to use our imagination too much to understand how local Members of Parliament, particularly some who are in the House today, will be beating local and regional administrators over the head to have their cronies in the Liberal Party favoured by that legislation. This opens up all sorts of opportunities for political abuse. We can see where some of that money, with a little recycling, will end up in local campaigns. This is one of the greatest weaknesses in the grant system of support. I will come back to it later in my remarks.

The second objection I want to address is that the operations of the merged Department will be disrupted by the inconsistent objectives of the two Departments which will form this one Department. The Department of Regional Economic Expansion, DREE, was concerned with regional development. The Department of Industry, Trade and Commerce has been concerned with developing internationally competitive industry. These are diametrically opposed objectives. Industry, Trade and Commerce was dedicated to matching the industrial strengths of Canada with international trading opportunities through both export and import displacement. On the other hand, DREE addressed the needs of less developed regions of the country by assisting in the creation of new companies which could be established without Government assistance. There are exceptions to this. I am aware of those exceptions. However, as a general rule those were the two objectives.

● (1115)

ITC was building on strengths; DREE was shoring up weaknesses. It is a different philosophy. There are different problems and different ways of dealing with it. We have to be very concerned in the administration of the Department that we understand what the overall approach of the Government will be.

The Minister of Industry, Trade and Commerce (Mr. Lumley) or the new Minister of DRIE have not spoken in this debate. Therefore, we do not know how the Government will combine these two different philosophies in the new Department. Both are worth while, but both can be greatly undermined by the attempt to blend the two. We have to know what balance the Minister is going to try to achieve in building the industrial development side and the regional development side, where the priorities are going to be, what industries will be favoured and what industries will be downgraded during the course of the next year or so under the Minister's administration. A key to the success in this merger is that the Minister address these questions so as to give industry some idea of the direction that he proposes to take.

Let me address the third objective, and that is the lack of control, co-ordination and consistency in industrial development policy that can arise out of this merger. If we accept the Minister's statement that decision-making will be decentralized it raises a question as to how regional decisions will be co-ordinated with the broad economic policy of the Government. Reluctant or recalcitrant regional officers can obstruct over-all policy objectives.

Let us not forget that ranking of certain officers in the field is higher than with many of the people in the industry branches and in other parts of the Department here in Ottawa. We are dealing with a bureaucracy here. When people in Ottawa in trying to fulfil broad policy objectives are not able to exert their influence on people in the regions, there will be some breakdown in the administration of Government policy.

The regional officer, being a normal human being, is going to respond to pressures that he feels from the regions. That is why he is there. However, we have to understand how those