

*Proceedings on Adjournment Motion*

pass the amendments to the act. The government had announced that Montreal was to be designated as a designated area under the act, and that until the legislation could be passed by Parliament many pending applications and, indeed, industrial development in the Montreal area and in the other areas to be included under the act would be held in a state of suspension.

For that reason, although the opening up of the act gave us our first opportunity to examine the record of the government in the area of regional development, with special regard to this specific act which is the main thrust of the government's regional policy, we acquiesced reluctantly and we passed the legislation through Parliament on the last sitting day before the Christmas recess, December 18. We were told at that time that the act had to be operative for the first day of the new year because there were a number of applications pending and a number of decisions had to be made. We were told that it would be irresponsible on our part to prevent the passage of the act.

We are now in the new year, and we want to know if the act is operative. We are concerned about this matter from two points of view. First, we are genuinely concerned about the high level of unemployment, the critical unemployment problem existing in Montreal and the Cornwall area and, second, we are genuinely concerned about the act not fulfilling its function in other areas of high unemployment in the country, especially in the province of Newfoundland. Statistics brought out during the examination of the minister and witnesses in connection with the amendments to the Regional Development Incentives Act clearly demonstrated this fact.

It was with this in mind that I put the question to the minister today. I hope Your Honour will reconsider the ruling that you made today, because this is an emergent and, at the same time, an urgent problem. We have the statement of the minister during the passage of the bill and the statement of the deputy minister to prove this fact.

● (10:10 p.m.)

If the problem is emergent, and if it is urgent enough to include Montreal under the provisions of the Regional Development Incentives Act, then it must be so treated in terms of allowing members of the House to put questions to the minister during the oral question period. I hope the Parliamentary Secretary will be able to answer two questions when he replies. First, is the act now operative in the cities of Montreal and Cornwall and the counties of south eastern Ontario, the newly designated regions? Second, are applications in fact pending and, if so, when will a decision be made on these applications?

**Mr. Mariin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion):** Mr. Speaker, I thank the member for St. John's East (Mr. McGrath) for his kind personal references. I am sure his concern is shared by all members of the standing committee who have given a good deal of consideration to these amendments. I welcome his concern that this act become operative as soon as possible.

To answer the first question, I am advised that 12 applications for assistance under the amended provisions of the act have been received to date by the Department of Regional Economic Expansion from applicants in the Montreal area. These applicants have been advised that their submissions cannot yet be considered for processing because the regulations required by the amendments have not yet been passed by the Governor in Council. It is expected that these regulations will be completed next week. They are being given urgent consideration. As hon. members know, these regulations relate to the new loan guarantee provisions of the act, the incentives for commercial enterprises and the removal of the \$12 million ceiling as well as other necessary changes related to the amendments.

The enactment of the amendments permitted the government to proceed at once with an Order in Council designating the new region on December 22, and permitted the department to acquire additional space in Montreal and to recruit new staff. The new Montreal office will open next week. Members will be pleased to know that the department is proceeding with all dispatch to prepare itself to fulfill the purposes of the amended act.

At the same time, I wish to point out that the designation of the new region and the provision of incentives within it are not the only important features of the act. In the amended act, for example, the Atlantic region was singled out for special attention in so far as this region, alone among the designated regions of Canada, had the level of incentives raised substantially to offset any adverse effects which might flow from the short-term, temporary designation of the Montreal-Cornwall region. The 12 applications received to date signify on the one hand that there will in all likelihood be a good response to incentives in the newly designated region. On the other hand, the temporary nature of the designation is a practical and reasonable way to balance all the important objectives sought under the act and its programs.

Motion agreed to and the House adjourned at 10.16 p.m.