

Regional Development Incentives Act

incentive areas all over Canada. I urge the minister, the government and all hon. members to make certain that we do not exclude one of the most vital industries in Canada, one that is prevalent in many of the underdeveloped areas, and we will be excluding it if we do not include it in the legislation. This bill is an attempt to do away with regional disparity; yet one of the major industries, tourism, is ostensibly being excluded. I urge the minister to include it and make certain that people all over Canada can plan on it as one of the industries that can be developed within the incentive areas.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I will spend only a couple of moments on this amendment. In supporting it I wish to mention one example where the tourist industry would be very beneficial.

The minister admits there are vital problems in Newfoundland with regard to regional development. I feel it would be helpful, in an area recognized by the Minister of Indian Affairs and Northern Development (Mr. Chrétien), to create a second national park. This would be very beneficial to Newfoundland and would have far-reaching effects. Development of a national park would create ancillary employment which is so vital in an area which has the highest unemployment rate in Canada. The ancillary tourist industry of a national park would be very beneficial. The secondary industry and commercial enterprises that would flow from a national park would do much to uplift the economy by the creation of additional employment. I ask the minister to take this into consideration when considering the particular problems in the province of Newfoundland to which he himself has referred.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have had the opportunity to discuss several times the amendment proposed to the house. I do not think the government is showing bad faith by not satisfying that request.

We should not consider this industrial incentives act as a wholesale development legislation, since it does not include every instrument the government intends to use to insure economic and even regional development.

As had been mentioned, the general legislation establishing the department contains the necessary provisions to assist provinces and

municipalities to develop the internal structures required for industrial development.

Under the act establishing the department, we can grant subsidies, lend money and guarantee loans, and do practically everything that can be done for industrial development after consultation with the provinces as to the needs to be met.

The bill now before us is only a part of a whole. Mr. Speaker, it certainly does not replace the Industrial Development Bank, nor the Department of Agriculture, nor the Department of Fisheries and Forestry but it has very specific objectives: an attempt to foster industrial development in slow-growth areas.

• (4:40 p.m.)

If we succeed in this field—which is rather limited, I admit—if we manage to induce industries to settle in the above-mentioned areas, it will mean that other activities will move in on their own.

For instance, in the field of service industries, one can be sure that where there is industrial development, service industries will develop naturally because there will be a local market. When people have work, and money, they want services; that means that service industries will develop as subsidiaries of secondary industry; service industries do not develop on their own they always result from another economic activity.

We feel that primary industry does not settle in a given area because of the extent of its economic activity. A primary industry is developed in a given area because of its natural resources. The idea of providing incentives to primary industry may prove successful in some particular cases, but it is not a determining factor in the location of an industry.

It may be suggested that this legislation probably has certain limitations but this has to be, in order to prevent any misuse of public funds or the provision of incentives to an industry which would settle in those areas just the same. The only justification for providing incentives to private undertaking is that without such incentives, they would not go and settle where we think they should for the common good.

We have no moral authority to give millions of dollars to a business which in any case would settle in a given area. By what right do we do so? Our only moral justification for spending public funds is to tell businessmen who can choose to settle in Mont-