

regions of Canada to overcome the disadvantages they now face.

What happens? In dealing with some of these other programs which are worth while, the department haggles over a few thousand dollars in carrying on negotiations or in reaching agreement, while on the other hand it gives out money by the bucketful to private industry in the giveaway programs. I suggest that if there were more emphasis on infrastructure programs, more planning, more co-ordination and more emphasis on programs of social adjustment, we would have better results.

Certainly we must criticize the passive nature of the program. We wait for private corporations to take the initiative. This program is based on the premise that if given encouragement, private industry will do the rest of the job. In many instances private corporations have created the problem the department is now attempting to correct. There is no plan of action either for regions of this country or for the country as a whole. No program can succeed until there is an adequate framework. We have called for this ever since the department was formed.

I suggest we must criticize this program because of the grants to foreign-controlled firms. I think it has been demonstrated through government studies and various evidence that the high degree of foreign ownership in our country has in fact contributed to regional disparities. It has not helped some of the disadvantaged areas and in fact it has contributed to disparities. Now we find, on the basis of the legislation which is being brought forward, that we have a continuance of handouts to foreign-controlled firms to carry on business as usual.

After a long study we have had the Gray report brought before the House. Then we have the measly foreign takeover review bill which is now before the committee. Let us look at the implications for the regional development program with this foreign takeover review bill. I ask what foreign concern, what foreign firm, would want to take over or merge with another Canadian firm when it can expand its present operations or start new operations with the type of generous help it can obtain under our Regional Development Incentives Act? In addition, they have over half the country to pick from when choosing a location for their operations. The government has completely ignored this, while even the province of Ontario has eliminated its forgivable loans to foreign-controlled firms.

I suggest that we look at the nature of the program itself and what is happening to it. First, I believe it has become clear from evidence presented that all that happens is that the program speeds up decisions which would otherwise have been taken by firms: it does not affect the basic yes or no decision; all it does is have some influence on the timing. More than that, I raised the question of the legality of the grants, because section 7 of the act specifies that no development incentive may be authorized if it is probable that the facility would be established, expanded or modernized without the provision of such incentive.

Two deputy ministers have said that grants are merely likely to accelerate decisions rather than affect a negative decision. The minister has told us that no legal opinion has been obtained from the Minister of Justice (Mr. Lang)

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on whether grants can be given under these circumstances, and he gave no undertaking that such legal opinion would be given. In addition, it states in the legislation that grants can be given on the basis of the creation of jobs. I understand "creation of jobs" to mean the bringing in of new jobs which were not there before. In other words, it means that something new is to be done to develop the country.

We find, however, that in some instances this is not the case. This came to light last week when I asked questions in the House of Commons concerning a grant given to Maniwaki Forest Products Limited. I want to make it clear that I have great sympathy for the situation in Maniwaki. I know this situation has concerned the people in that community and their representative in the House of Commons, my friend the hon. member for Pontiac (Mr. Lefebvre), who certainly has attempted to do something for his constituency.

I raised this matter in the House of Commons last Thursday because it was stated by the manager, in spite of the announcement that 74 new jobs would be created, that he did not know anything about 74 new jobs and all he knew was that the 74 jobs which are now there will be retained. I asked questions in the House about this and dealt with it during the adjournment debate; therefore I shall not go into the background. I am not questioning the validity of providing help to this firm, but I am questioning the basis on which the government gave \$1,500 for each of the 74 jobs that were to be created by this project. I submit this is false, on the basis of the act under which grants are provided.

**An hon. Member:** You are all wet.

**Mr. Burton:** The fact, as I have said, is that I have no quarrel with the argument that assistance for this firm is valid and warranted. What I am questioning is the way in which the minister is operating this act, because I believe he is bringing the whole program and the administration of the act into question by the manner in which he is applying it. Not just in this particular case; I am not picking on this particular case. There are a number of cases. The minister and many members on the government side, including the hon. member for Kenora-Rainy River (Mr. Reid) said that through the program under the Regional Development Incentives Act, 59,000 new jobs have been created and not just kept in existence. No new jobs were created in that case and I suggest we should look at the operation or we may have other problems in respect of the administration of the act.

• (2130)

[*Translation*]

**Mr. André Fortin (Lotbinière):** Mr. Speaker, I was very interested by today's speeches and I am rising for a few minutes only to remind my colleagues of certain facts which they seem to have forgotten.

The government tabled today a summary report of the Prices and Incomes Commission, on inflation, unemployment and economic policy. This report states and I quote:

As compared with most countries, there is in Canada an extremely high number of young people entering the labour market and meeting great difficulties in finding adequate full-time