

Proceedings on Adjournment Motion

Mr. McCleave: Mr. Chairman, I think there might be agreement to get through these two sections, and I ask whether it is understood that we will be dealing next with sections 4 to 8 inclusive.

Mr. Benson: Yes, Mr. Chairman.

Mr. Fortin: Mr. Chairman, we are trying to reach an agreement on an experimental basis between parties and, so that members of other parties can keep their word, why not carry on before the agreement has been reached on what is now proposed? We gave our word of honour and we shall keep it.

The Deputy Chairman: It is not a matter of knowing what sections will be dealt with tomorrow, but rather of finding out if the Committee is allowed to sit past ten o'clock or whether the Chair should call it ten o'clock.

Mr. Fortin: Mr. Chairman, we do not agree. We shall use the rest of the evening preparing ourselves for a good day's work tomorrow.

• (10:00 p.m.)

Mr. Benson: Mr. Chairman, perhaps I could suggest that we answer one question which has been raised and that tomorrow we proceed with sections 4 to 8 which are very wide ranging. I should think if the Chair wanted to indicate that we would accept one question, we would be pleased to do so, but without additional debate. If there is no consensus among members opposite to deal with these two sections tonight, then of course we cannot deal with them.

[Translation]

Mr. Fortin: Mr. Chairman, we disagree. This is like when we ask the minister to study Social Credit and his answer is no.

[English]

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

REGIONAL ECONOMIC EXPANSION—ATLANTIC PROVINCES—ASSESSMENT AND REVAMPING OF DEPARTMENTAL PROGRAMS IN LIGHT OF CRITICISMS—LONG-TERM TARGETS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, on October 20 last, as recorded at page 8856 of *Hansard*, I raised the question of evaluating and assessing the program of the Department of Regional Economic Expansion because of the criticisms levelled at that department at a recent meeting of the Atlantic Provinces Economic Council. Those who attended that meeting are not opposed to the purposes for which the Department of Regional Economic Expansion was set up. What they are saying is that a department which is now 2½ years old and which has become one of the major spending depart-

ments, spending in the order of \$330 million a year, with 2,000 employees, needs to be evaluated to see whether Canadian taxpayers are getting value for their money and whether the programs are accomplishing the objectives for which DREE was set up.

The criticisms from those who attended this meeting of APEC were three in number, in the main. First, the programs of DREE seemed to lack long-term planning and co-ordination. Mr. Guy Henson of Dalhousie University put it very well. The press report states:

—he chided the government for its failure to produce an imaginative concept; a clearly definable long-term strategy similar to those developed for the Tennessee Valley scheme and a regional development program in northern Norway.

Instead of a long-term concept, Ottawa had produced ad hoc plans couched in all the right phrases and clichés and with an appearance of high competence, which amounted to no more than narrow development of tools.

APEC itself, in its annual report, criticized the DREE program and said that rather than working closely with the provincial governments and municipalities to plan an infrastructure, DREE has simply lunged forward with a whole series of what can only be described as public works thinly disguised as regional economic expansion.

The second criticism had to do with the fact that the long-term objectives that the Department of Regional Economic Expansion was established to pursue have been short-changed in the interest of short-term political expediency. It seems that increases in the programs are determined by the political complexion of the region rather than by the economic needs of the area. The original concentration of certain carefully selected regions for development has been submerged in the cross-currents of political pressures. For instance, the area for federal incentive grants has now been extended to the point where half the labour force of Canada now lives in designated areas. The result has been to dilute the effectiveness of the incentive programs.

The third criticism which seemed to come out of these discussions was that the government's regional development policies have been undermined by lay-offs in firms which have received grants to establish plants in slow-growth areas. An instance was pointed out the other day of Canadian Ingersoll-Rand starting to lay-off some 300 workers in Sherbrooke, Quebec, although the firm received a grant of almost \$200,000 from the Department of Regional Economic Expansion in 1970. The minister of the department said yesterday, according to a report from Montreal, that there is nothing abnormal about lay-offs in subsidized firms. I take this to be an admission that regional development policies have little hope of success when the national economy is faltering and employment is dropping.

DREE often talks about the national-regional trade-offs that are necessary to bring about balanced growth throughout the country, but what can the national economy spare for the slow-growth regions when apparently it can do so little for itself? I think this was summed up very well by the former deputy minister of DREE, Mr. Tom Kent, who said at the same conference, as reported in the *Globe and Mail* of October 20:

"It is impossible to expect" that a program conceived on the assumption of an expanding national economy would be successful when economic growth rates declined.