

referred to a number of misconceptions on this question and said:

—many misconceptions are still very popular. The propensity to search for a development base only in secondary manufacturing is maybe the most popular and the most pernicious of these misconceptions.

The very point I make, and the point made by authorities in North America and Europe, is that industrial activity should not be seen to be simply manufacturing activity. This concept should also include the tourist industry, for example, and the service industry. These are two very important sectors of a modern economy. My amendment would remove the restriction and provide the legal possibility of making funds available to many sections of this large and expanding economic base through the development of either tourist or service industries.

The minister indicated very clearly at the committee stage of the bill that it would relate entirely to the manufacturing industry in a given area. But it could be made to help expand the tourist potential in Prince Edward Island, certain parts of Quebec and Ontario, or in fact in certain parts of any province in this country. We have a tourist potential. In certain areas we have a capacity for serious academic research centres to be developed if we want to provide the funds. I refer to such centres as revealed in the recent history of the eastern part of the United States. If money is poured in at the outset and the intellectual and technical capacity of a region is developed, secondary industry in fact can grow out of that potential rather than the other way round.

One further bit of professional feeling about the notion of expanding the concept of industrial development to include other industries than manufacturing comes from the report of the economic development committee, which was released recently. I should like to read from that report to show once again that professional opinion is by no means in accord with the minister's view on this subject. Let me read from pages 78 and 79 of that report:

The availability of services locally is very important for industry. Not only are services increasingly forming a larger share of industry outputs but it is probably more important for industry to have services on the spot than other inputs like material and semi-finished products, in as far as many service inputs cannot be stored and have a high frequency of purchase.

I could read a number of paragraphs from this report, but the point made there is that

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even if you are concerned with the development of secondary industry in a particular part of the country, it is very important to provide funds for the development of related service industries in the same area.

In short, this bill, especially the clause I wish to amend, is unnecessarily restrictive. We have an excellent opportunity through this bill, which is otherwise very good, to provide for meaningful growth in many parts of Canada which badly need that growth. There is no point in the late 1960's in going back to the essentially primitive economic notion of relying exclusively on the development of the manufacturing sector of the economy.

Mr. David MacDonald (Egmont) moved:

That Bill C-202, An Act to provide incentives for the development of productive employment opportunities in regions of Canada determined to require special measures to facilitate economic expansion and social adjustment, be amended, by deleting paragraph (f) of clause 2 and substituting therefor:

(f) "facility" means the structures, machinery and equipment that constitute the necessary components of

- (i) a manufacturing operation;
- (ii) a tourist operation;
- (iii) a service operation;
- (iv) a processing operation other than an initial processing operation in a resource-based industry.

He said: Mr. Speaker, after your ruling perhaps it would be appropriate at this point to deal not only with my own amendment but the amendment of the hon. member for Oshawa-Whitby (Mr. Broadbent). As you correctly advised the house, these amendments are similar in many ways. The reason both amendments are here, as I am sure the minister is well aware, is that there could be a real distinction drawn in the implementation of this legislation in that if either of these measures were to carry there might be a different effect in that implementation.

Let me say first of all that this bill is an important piece of legislation. I believe the minister feels it is important inasmuch as it outlines certain steps to be taken to improve and alter substantially in some places the previous industrial incentives legislation. It attempts in the same way to attract new industry to areas of unemployment or under-utilization and, hopefully, to create in those areas greater employment opportunities.

When we discussed this bill in the committee we discovered that the former provisions have been expanded in almost every part.