

Davis likes the way you cut your hair. DREE should have the decision as to whether or not to put money in the plant if it meets DREE requirements. DREE writes the act, and if the industry does not want to do what it says, it will have to, because in most cases it is under an agreement and that agreement must be approved in Toronto. I just notice here that the head office is not in Toronto, as stated, but in Thunder Bay. The assistant deputy minister's office is in Thunder Bay, not Toronto.

Mr. Lessard: No, it is in Toronto.

Mr. Peters: It is in Thunder Bay for northern Ontario.

Mr. Rodriguez: Yes, that is where it is.

Mr. Peters: It is the minister who should know, who else? If I were him, I would not open my mouth so as not to put my foot in it.

Besides being able to provide a universal program across the country, particularly in areas designated federally as underdeveloped, we should be willing also to take equity in a company. The Canadian Development Corporation has done so very successfully. I do not care if the minister only gets 10 per cent in the company, 20 per cent or whatever it may be, but this amount will provide him with knowledge of how the company is doing. He may decide he wants to put more money in it. Perhaps this linerboard mill will be a disaster. Perhaps if we had put some more money in it at the right time, it would have been successful. There is no point in waiting until the company goes broke and everybody in the subsidiary services is affected, then, when the new management comes, to say, "we will give you another grant", and start all over again. Perhaps the second expenditure could have kept the company in business in the first place. To do that we must have equity.

Finally, I think it is absolutely necessary that we unite the abilities we have in the Department of Industry, Trade and Commerce for sales purposes, our experts in the development of new programs, and our experts in management, together with DREE officials, so that when we start a company with a large DREE grant we may be able to provide it with other services to enable it to operate.

Right now if the government wanted to do anything, the Canadian Development Corporation should go into northwestern Quebec and northeastern Ontario to set up a new company there to take over part of the forest industry. We find bankruptcies by the dozens in both areas. The products of those industries go to exactly the same markets. Not one of those companies is capable of conducting a sales program because none are large enough and they do not have the money or the knowledge to do it. They could get some assistance in providing reasonable transportation facilities and in handling their product, as well as assistance in finding markets for the product. It is foolish to produce lumber if flakeboard is what you need, and conversely, it is stupid to produce flakeboard if you can sell lumber. We could increase the price of lumber by \$20, \$30 or \$40 tomorrow if we could get control of the market structure on behalf of those companies.

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I do not suggest that we should take over the lumber industry. All I suggest is that the government should become a partner with the industries that are in difficulty so that it can provide them with some loans, with sales ability, and with assistance in management. I do not think that the border between northern Ontario and northern Quebec should be a division. If the corporation could be established across that border, it would find no objection in northwestern Quebec or in northeastern Ontario.

If the minister really wanted to help in such places as the maritimes, he would find that the problems in northern Ontario are no different from those in the minister's area. If he would just take a look at his area of Lac-Saint-Jean, he would find the same problems there as are in all the areas that are not major manufacturing areas. He comes from an area that is mainly a one industry area, the same as I do. I think he should really look at how the DREE program applies there.

DREE is not doing the job it should be doing. We consider the upper Ottawa valley to be a disaster area. We made special concessions in that area, we set up a special incentives program for the area. It is a disgrace when we put that kind of money into an area to find that 32 out of 62 companies are not in operation at the time when the minister makes his report. This is not my report; the minister made it. If it is not correct, I think he has an obligation to rise in the House as soon as I have completed my remarks and to say so, on a point of order.

I believe there is a great deal of sympathy for areas such as Toronto, Montreal, and other industrial cities that are growing by leaps and bounds at great cost to themselves. Montreal cannot afford a sewage system and it will certainly not be able to afford it if it is made any bigger. The same is true of Toronto.

If there is going to be diversification, let us not have a stupid kind of diversification such as moving the files of DVA to Prince Edward Island. It is just about the silliest kind of diversification I could think of, Mr. Speaker. What we want in this country is a diversity of services. We would like the services moved out to the people.

Wherever possible DREE's obligation is to provide industry to those communities that have the infrastructure in the area, to provide it in cases where the area is in serious difficulty because it has lost its major and often its only industry. The Canadian people are willing to make the payment. We have spent a lot of money under DREE. I think we have an obligation to tell the general public that that money is being supervised and is being protected wherever possible.

Yes, Mr. Speaker, I support the minister 100 per cent when he takes risks that the banks and others will not take. But if we take those risks, let us not leave the guy with a huge mortgage on a string. Instead, let us provide him with the infrastructure that will make it possible to have diversification of industry that is successful for the people in the area. Remember that every time a company goes bankrupt, this hurts the people working in the plant and it destroys the service industries that provide the 30 day credit to the plant which they thought would continue to operate. One of the reasons we are having so