

*Regional Development Incentives Act*

development since its inception. What happens is that competition develops between the provinces and the municipalities. This is bad for all concerned. Each is forced to offer more and more in the way of incentives, almost bribes, in the hope that they will attract industries which will provide jobs. In the process, they are faced with the tremendous financial responsibility of providing schools, roads, and sewer and water facilities which are necessary for industries in a modern society. It is also necessary to provide housing for the people concerned. This program is industry oriented. It fails to provide for the infrastructure which enables the provinces and municipalities to supply the services required by industry.

We would support this or any other government which made proposals to improve living conditions and produce jobs at adequate wages for the large number of Canadians who are either unemployed or underemployed. We would support this kind of a program. However, the minister and his department have made a hodge-podge of it. They have diluted and subverted it to such an extent that it is not possible for members on this side of the House to support this proposal.

**Mr. J. M. Forrestall (Dartmouth-Halifax-East):** Mr. Speaker, during the last few days the members of this House and the members of the Standing Committee on Regional Development have been dealing with a measure which has changed the direction of the basic thrust of government policy with respect to economic disparity in some regions of Canada. I wish to address a very few remarks on that point this evening. The arguments I wish to make are simple. They are based on the premise that there are regions in Canada that not only suffer from disparity when compared with the rest of the country but have particular disparities in their areas.

Some time ago the government embarked on what we understood to be a long range program aimed at the infrastructure. It was to overcome the disparity that existed and provide a greater share of the national prosperity for those regions. We recognized that there was disparity and devised a program to attack it. The program has failed. I can say that forcibly, simply, and with the contempt that the change of direction deserves. This would not change the basic fact that the programs designed to date have failed.

We placed a fair amount of hope in DREE, the regional attack on disparity. Many of us shelved what we in our wisdom thought to be a more appropriate approach, the constitutional approach, which would have given us the instruments to help ourselves. We were prepared to give the government a chance to see what it could do. We did so because we trusted the minister and the government. At the time we shared to some extent his enthusiasm. We have been let down because the program has not worked. For one reason or another, the minister has admitted that it will not work.

The amendment to the bill emphasizes the need for regional policies. We need policies for those regions in Canada affected by disparity, not policies to be in effect

[Mr. Orlikow.]

for 18 months or 2 years but for the long haul. In other words, we have to know where we stand from political whim to political whim. It was my position that the regional policy would be the instrument that we needed to overcome these difficulties. We have tried the mockery of ad hoc approaches to regional development, but we have failed.

It is time that the people from the Atlantic provinces faced up to one or two basic facts. Policies born in central Canada are born without a damn for the economic condition and the plight of the Atlantic provinces. This has been true for 200 years. A review of the financial history of Canada will reveal that central and western Canada found the capital they required and the surplus deposits built up between the mid 1700's and the early 1900's in the Atlantic provinces. Those of us in the Atlantic provinces recognize quite readily what happened to some of these surplus deposits.

● (7:40 p.m.)

In other words, for 100 years and perhaps for the better part of 200 years, there was no apology from the rest of Canada when our surplus deposits were drawn off for the development of the central regions. Now, in the middle of the 20th Century and particularly in the past 30 years, it has become apparent that the Atlantic area is not able to keep abreast of the rapidly expanding central part of the country largely because of the central policies of successive governments. I shall not tar any particular government for this but, rather refer to governments generally. The effect has been recognized, I think, and I would hope by people who are seriously concerned about the plight of the Atlantic provinces. I repeat, I believe it is time we began to stop complaining bitterly about ad hoc measures and attempts to resolve the problems from time to time by governments which are oriented toward central Canada, and started making our own case for regional policies which would permit us to have our own banking institutions, which would allow us a far greater control over the fiscal and monetary policy of this country. This would be particularly useful with respect to national policies when, from time to time, the government deemed it necessary to implement measures to restrain or stimulate the economy.

It is in this area that we have felt our greatest wounds in recent years. We need changes in the tax incentive field. We need changes in the application of brakes on the economy that are bought from time to time by the Minister of Finance (Mr. Benson). In other words, we need some control over our regional financial destiny. We need a return to some civilized human respect for the problems that we face. It is obvious, Mr. Speaker, when anybody bothers to look at this bill, that what we are really talking about are the terms of our own protection. I grant the minister is concerned and I do not say that he is not concerned. I just think he is so preoccupied with other problems that the problems of the Atlantic provinces rate about 34th or 35th in the back of his mind. What I object to really is that perhaps because of this we keep being faced with subterfuge, if you will, by indul-