

Regional Development Incentives Act

contract which could be used to supplement the existing DREE incentives. I still continue to believe that that is needed, and I hope the minister will continue to look at this option.

I suggest another thing that has to be done is to make more flexible the procedures involved for advancing money. It may well be under the changed economic circumstances that to withhold funds to the extent that they are now withheld from applicants, before they are finally paid upon reaching commercial production is no longer appropriate, and that there should be more front-end money advanced sooner, particularly to small prospective industries or industries which do not have the cash flow and are seriously impeded by the lack of working capital.

In addition, there should be a hard look taken at the kind of special grants that are given to large corporations. Some of them have worked out very well, such as the one to Michelin in Nova Scotia. Others have not. But it makes far more sense to me to allow large profitable enterprises who have cash flow and who are able to finance, by definition, their own expansion, to make funds available through tax concessions after the fact so that taxpayers only pay for what they get, rather than passing money out to large corporations in an attempt to induce them to do what in some cases they were about to do in any event.

There is quite a paradox involved in regional economic expansion. Sometimes the industries who receive grants will only line up to get the grants simply because they are there and because their competitors got them. This is why I believe that if more provision were made to make certain that corporations having undertaken marketing studies, and all of the other details they need, decide on their own to go ahead with these particular projects, then let them finance their expansions by means of income tax concessions, and do not induce them to line up just for the sake of getting the grants because their competitors happen to get them.

There are many improvements which the minister knows have to be negotiated and brought this House. One of the problems, however, is that in a bill such as this, as is the case with the Bank Act, the more we delay passage of legislation by putting forward suggestions and prospective amendments, the more we hinder some of the things that have to be done.

I am happy that the minister brought this bill in at this time, but I am not too happy that he saw fit to put a five-year period on the time he indicated that it should be extended. I would have thought it better to say a period of three years which would be, by definition, within the period that this Parliament would last, and which would in effect be an added incentive to go ahead and bring forward the kind of comprehensive legislation that we are assured will be brought forward. If this is not done, we will get into the situation in which we now find ourselves with respect to the Bank Act. It becomes an exercise in absurdity whereby we cannot seem to come to grips with doing something that has to be done within legislative time-frame and we have to keep on changing and extending measures. I sincerely hope that that will not happen with respect to the regional development legislation. This will be coming

forward I trust, according to the parliamentary secretary, in a reasonably short time. I hope he will be able to give us his undertaking, or a reasonable assurance, that this legislation, which I know the Department of Justice has been working on for some time, will come forward into the House in the fall so that we can go into much greater detail in considering and bringing in appropriate amendments as well as discussing it in committee.

In the meantime, through the parliamentary secretary I want to wish the minister every success in trying to impress upon his colleagues in the departments of Fisheries and Oceans, Industry, Trade and Commerce, Transport and many other departments that what he needs is not competition from them for the DREE budget. He does not need them to be making demands on him for funds to relocate rails or to build airports, which should be the responsibility of the Department of Transport. What he really needs is an indication from them that they are prepared to set aside some of their own budgets and work more closely with him. Therefore, when there is a project that requires joint effort by departments, they will be there contributing, not simply taking advantage of DREE's position to say that it is up to DREE, or let DREE do it. Nor do we want to hear it said that, while they have their own empires, after all, DREE is charged with economic development; that even if they do not have enough money, it is DREE's responsibility and let DREE do it.

The minister knows the problem. I hope that he will get the kind of co-operation and good will that accrued to me from my cabinet colleagues. On that basis I will watch with a great deal of interest and a lot of good will what is going on in this very important department.

I hope that in the not too distant future all members of this House will be able to join in a more detailed and extensive debate over this important aspect of developing our country.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I am pleased to be able to say a few words in this debate. However, I want to say at the outset that I am not the critic for our party when it comes to the Department of Regional Economic Expansion. Our critic is the hon. member for Churchill (Mr. Murphy), who is in western Canada today and has been doing a very good job of watching the department's activities over the last few months.

I was very happy to hear the hon. member for Central Nova (Mr. MacKay), the former minister in the Conservative government, say that he will oppose the five-year extension and that he would sooner see a three-year extension. Our critic, the hon. member for Churchill, has suggested a two-year extension, which is in the same ball park. This would put the incentive on this Parliament to come up with some major revisions to the act, rather than passing it on to some other Parliament five or more years down the road. I want to say that both parties on this side of the House support that intent. I hope the government will take that under advisement and perhaps amend the legislation when it is before the parliamentary committee relevant to the Department of Regional Economic Expansion.