

Now, we have the government designating areas where there is already the incentive and the infrastructure. It is only a matter of an industry picking up an outright gift from the government to establish in an area in which it already has easy accessibility to the Canadian and world markets. We have asked the government to consider adapting their regional development policies so that they would be based on the industry in the area. I can speak with some conviction about my own province. Last year the government brought in an \$82 million two-year program of special area grants and loans for the provision of the necessary infrastructure in the area, but not a single penny of that expenditure was directed to the resources of the area. There has never been a grant, for example, to assist in establishing facilities for the fishing industry which is the most important industry in my province. Not a single penny has been spent on this.

The minister and his officials sit in their offices. These officials are very capable men; you had better believe that. They have minds like computers and they have the assistance of computers. These officials have figured out what the economy of any area needs. They have paid no attention to the representations of the people or of the members from the area. They have designed a type of program that will eliminate the rural economy of Atlantic Canada. I am not against the relocation of people, but an approach has been designed which will mean the elimination of the rural economy. This includes the fishing industry, the traditional industry, the farming industry and the forest industry in the Atlantic region. This will be the result of the type of approach the government has designed, the elimination of the rural economy. If I had time, I believe I could prove that the government is hung-up tight on the question of urbanization across Canada, giving little consideration to the residents of the various areas.

I could point to transportation and regional development policies, as well as the lack of effort on the part of the Department of Public Works, the Department of Fisheries and Forestry, and perhaps the Department of Agriculture. I believe these policies have all been designed to hasten the already serious urbanization of the population across the entire nation without regard to the human consequences involved. In various parts of Canada, we have chronic unemployment problems which did not originate in 1970. They go away back in history. I do not think the federal government must assume the full responsibility for the heavy unemployment, for example, in my province any more than for the heavy unemployment in the province of Quebec. I think all hon. members from the province of Quebec, and other parts of Canada, could from their experience and from their reading concerning the history of Quebec find several reasons for the serious economic crisis in that province. If the government should proceed with Bill C-205 as it presently exists, I think this will mean it has given up the fight on regional disparity.

The Prime Minister's (Mr. Trudeau) promise to the nation about regional disparity and regional development has become a farce. We cannot attract industry away from Montreal, and we should not attract industry away

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from Montreal or Toronto. However, I would hope we could have special types of incentives that would help us develop the economy in respect of our own indigenous natural resources. I could refer, for example, to the economy of Prince Edward Island, where there is a heavily based agricultural economy or my own province where there should be a heavily based fishing economy and also a forest and wood products economy. We receive very little incentive. I could point to all kinds of examples in my own area where men have endeavoured to obtain incentives for the forest and fishing industries. These incentives have been denied on technicalities because the members of the minister's department, either by instruction or on their own, have ignored the problems peculiar to these areas. They have interpreted the regulations exactly to suit themselves. The minister can go ahead now and announce a \$12 million incentive for one of the largest companies in the world because he has the flexibility.

The headline on the article in the *Edmonton Journal* reads "Incentives area boundaries extremely flexible". Mr. Michael Fitzgerald explains how the minister has all the discretionary powers he wants. Yet, he sits back there in his cozy complacency and refuses to adopt any policies which would suit the indigenous industries of our area, particularly the fishing industry. Now, he intends to place all the provinces of Canada and pretty well all the regions of Canada on the same footing. Joe Batts Arm, Fogo Island, South Western Nova, the south shore, Dartmouth and all these other parts of Canada must compete for the same incentives with what is basically one of the largest and the most complex industrial economies in Canada.

In conclusion, Mr. Speaker, I wish to touch on the minister's loans program. The minister announced that one of the big changes in legislation now will come about as a result of Bill C-205's provisions for lending to service industries. This week three types of loan programs administered by the federal government should have come before Parliament. One is the Fisheries Improvement Loans Act, another is the Farm Improvement Loans Act and the third is the Small Businesses Loans Act. The Parliamentary Secretary to the Minister of Finance, the Minister without Portfolio for Finance and the Minister of Finance will agree with me that these three loan programs are not worth two cents so far as the small growth parts of Canada are concerned, because once this chamber gives its approval the legislation will be administered by the banks and the banks scuttle loans in the slow-growth areas of our country. They are scuttling the loans because the government is asking the banks to lend money under a government guarantee with a pegged interest rate of 7 per cent to 8 per cent. I am saying that the banks are scuttling these loans. They refuse to lend the money because, with the tight money situation, they can lend money at the much higher interest rate of 12 per cent and do not have to worry about the government's program.

• (3:10 p.m.)

On December 1, I presented documented evidence in the House of Commons for the record, and for the infor-