

*Regional Development Incentives Act*

industries were enticed into the area under the incentives program. This is a good indication of why the program was changed about a year ago and why the tax concession provisions were removed and the outright grants provisions made more generous. Rather than getting a maximum of \$5 million, today an industry can get as much as \$12 million for establishing a plant in a designated or special area.

Under the new system it is possible for the government to provide for the creation of the infrastructure necessary to support industry. If this infrastructure is properly created, then naturally the industries established are more likely to survive and be of long-term benefit to the community. I believe that areas such as the Crowsnest pass which have received assistance only to find that industry could not survive because of lack of infrastructure should be looked at again and redesignated as special areas. In this way they could qualify for assistance in the development of the infrastructure—municipal services, road construction, housing and anything that is necessary to ensure that a labour force will be available.

I submit, Mr. Speaker, that the Crowsnest pass area should be reconsidered and redesignated as a special area so that existing industries can function smoothly and new industry be encouraged. Since the area was again designated about a year and a half ago, not a single new industry has been established, and I do not know of any that have made inquiries. It is not grants or incentives alone which encourage an industry to establish in an area: I believe infrastructure is necessary to ensure that industry will establish itself in areas where it is required.

Another aspect of the regional development program is that it is a remedial measure. We have not taken steps to ensure adequate employment in all areas of Canada. We have not taken steps to ensure sufficient diversification of industry. It is sufficient in Toronto, Calgary, Edmonton, Vancouver and Montreal—but these are not problem areas. The problem areas are smaller communities, communities in the Maritime provinces. One thing that these communities have in common is their dependence upon a natural resource. They are usually dependent upon only one large plant or perhaps several plants which depend on the same natural resource.

If this resource is depleted or there is not sufficient demand for it, the area goes into a depression and unemployment results. The government then has to come along and patch up the wounded area, so it becomes a remedial action. Rather than allowing this cycle of prosperity and depression to repeat itself, I suggest that we should take preventive steps. If we could ensure diversification, if one area of the economy is depressed perhaps other areas could take up the slack.

One of the best examples, Mr. Speaker, is the area I represent. There are two great coal mining areas in Canada, one in Nova Scotia and the other in the riding of Rocky Mountain. Alberta has 50.7 per cent of the nation's coal reserves, and 25 to 30 per cent of these are in the Rocky Mountain region. For many years the Crowsnest pass area southwest of Edson provided a large portion of the coal in western Canada and many thriving communi-

ties were established. Miners from all over the world came to work in the mines, and we have communities where the population was drawn from 50 or 60 nations. The coal mining industry, as I have said, went into a depression. Then other industries were given incentives to establish in the area and improve employment opportunities. That was done with some degree of success.

● (3:10 p.m.)

The coal industry has now revived and it is apparent that we did not need to take some of the steps that were taken a few years ago. Instead of allowing areas such as this one 25 years ago to remain totally dependent upon the coal industry, it would have been better had we provided incentives for other industries to establish there. The same remarks apply equally to Cape Breton. If 20 or 25 years ago secondary industry had been established there, that area would not have suffered the difficulties it has suffered during intervening years.

I have looked with interest at a study concerning new Canadian towns on what is termed "Canada's resource frontier." These are communities which depend upon one resource for their livelihood. They are to be found in all provinces. As a matter of fact, 148 such communities are listed. They include places like Corner Brook, Glace Bay, New Waterford, Sydney Mines, Elliot Lake, Uranium City, Lynn Lake, Sherridon, Powell River, Ocean Falls and Port Alice, each of which relies upon a single industry. Some of these towns that were tied to a single industry are either dead or dying: the others will suffer the same fate unless we make our regional incentives program preventive rather than remedial in nature. If that is done, some of these communities may be saved. If it is not done, we shall go through the same process of giving industries incentives to establish in certain areas because those areas will be suffering from a depression brought on because resource industries in the area have gone out of business.

In my riding there are several new communities. The outstanding new community is the town of Grande Cache. It was established to serve the coal mines recently opened by McIntyre-Porcupine. That company is supplying millions of tons of coal each year to the Japanese steel industry. There are about 4,000 people in this area. Three years ago there was nothing there; it was wilderness. The town depends totally on the one coal mine. It is a very beautiful town, beautifully situated, and its people have invested a great deal of money in it. It contains many progressive businesses and has some fine public buildings. There are adequate recreational facilities.

All the same, it is certain that if this town is allowed to depend solely upon the coal mining industry, sooner or later we shall need to establish some sort of incentive program to bring new industry into the town, because the coal industry will by then be either dead or dying. I think this illustrates the sort of approach we should be taking to regional expansion in Canada. Such an approach will perhaps require a period of evolution. We have begun with a different approach, but I hope that eventually we shall look upon our regional economic expansion program as preventive rather than remedial.

[Mr. Sulatycky.]