

*Inquiries of the Ministry*TAX INCENTIVE PLAN TO ENCOURAGE GREATER
PRODUCTIVITY

Hon. George Hees (Prince-Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Finance. As the new chairman of the Economic Council of Canada stated recently that "Canadian productivity must be improved if Canadian products are to remain competitive", does the government intend to introduce a tax incentive plan in the near future to encourage greater productivity in Canadian industry, or does it have some other plan in mind for bringing about this very necessary and desirable objective?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think the Canadian environment generally encourages productivity in Canadian industry. One of the problems we have presently is that the gross national product is growing very rapidly but productivity is also growing, so not as much employment is being created as would normally occur through this size increase in the gross national product.

• (3:00 p.m.)

Mr. Hees: Does the minister intend to make a speech in the very near future to Canadian industry telling Canadian industry that it never had it so good and that the government intends to do absolutely nothing to improve productivity in this country?

Mr. Speaker: Order, please.

Mr. Benson: You keep making the same speech each day.

Mr. Hees: I want an answer to a very important question.

CHANGES IN REGIONAL DEVELOPMENT INCENTIVE
POLICIES TO ACHIEVE GREATER PLANNING AND
CO-ORDINATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Regional Economic Expansion. In light of the Science Council of Canada's recent call for a new industrial strategy for Canada to promote the growth of manufacturing, and a series of resolutions passed by the Chamber of Commerce at its meeting in Quebec two weeks ago also calling for a new industrial strategy, can the minister tell the House whether his department will now change its incentive policies in such a way as to make possible a greater degree of planning and co-ordination?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I started reading the report. It is highly interesting; some of the views expressed there certainly deserve very close consideration. However, there are also some extremely serious omissions in this report, and once I have had time to study it in depth, I may be able to discuss it.

[*English*]

Mr. McGrath: May I ask the minister whether, in light of the specific remarks directed at his department in the

[Mr. Trudeau.]

report, and in light of the statements made by other groups in the country, an examination is now taking place of the whole concept of regional industrial incentives under the minister's jurisdiction with a view to greater planning and co-ordination being exercised?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, it is not as a result of mere criticism that we hear or read somewhere that we must change our policy. It must be determined whether criticism is warranted; we consider it very seriously. That program did not come about out of thin air, but it has been brought forward by Parliament. It may have some deficiencies; we are prepared to correct them, but not merely on account of pressures or press statements.

[*English*]

SUGGESTED RECONSIDERATION OF INCENTIVE GRANTS
TO FOREIGN-OWNED COMPANIES

Mr. John Burton (Regina East): I should like to address a supplementary question to the Minister of Regional Economic Expansion. In light of the findings of the Science Council of Canada and similar criticisms which have been made concerning grants to foreign-owned companies, is the government now reconsidering its policy with respect to making regional industrial incentive grants to such companies?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have said several times in the House that the mandate of the department was to fight against regional disparity and not to define the policy of the Canadian government about foreign investments. I look after investment in underdeveloped areas and the other problem will undoubtedly be dealt with in a different manner in the House of Commons.

[*English*]

Mr. Speaker: The Chair will recognize the hon. member for Edmonton Centre for a last supplementary on this subject and then go to the next subject.

CONSTRUCTION INDUSTRY—AVOIDANCE OF USE AS
ECONOMIC REGULATOR

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct my supplementary question to the Prime Minister or to the new Minister of State for Science and Technology or to the Minister of State for Urban Affairs. Does the government intend to use a little imagination when studying the call by the Science Council of Canada that the government cease using the construction industry as an economic regulator and begin helping to revitalize the construction sector?

Hon. Robert K. Andras (Minister of State for Urban Affairs): I think the support given to the residential construction industry over the last two or three years is an indication that we are taking that kind of suggestion very seriously. I think that particular comment was a bit passé.