

*Regional Development Incentives Act*

the bill are far more restrictive than one would imagine them to be from reading the title. Clause 2(f) defines the facilities for which grants may be made:

"facility" means the structures, machinery and equipment that constitute the necessary components of a manufacturing or processing operation, other than an initial processing operation in a resource-based industry;

The amendment offered by the hon. member for Oshawa-Whitby would amend the clause so that it would read:

"facility" means the structures, machinery and equipment that constitute the necessary components of all forms of industrial activity.

The words of the amendment are, "all forms of industrial activity". Such activity would include the service, tourist and research industries, which in my opinion are vital to the success of this program in many incentive areas. I feel that the term "growth potential" should be used in a much broader sense than that outlined in the definition. The bill now before us would restrict the areas that could benefit those with a potential manufacturing growth and would exclude other very important potential growth factors to be found in the service, tourist and research industries.

I note in the minutes of the committee that the minister indicated that under the act establishing his department assistance could be granted to the tourist industry, provided that industry was the sole activity that could be developed in the region being considered. He also indicated that at certain times and in certain areas it might be a sensible economic move to develop the service industry. In view of the minister's statements before the committee, I see no reason why they should not be included in the bill. It will still be up to the department to decide whether grants will be made available to the various facilities wishing to establish in the incentive areas set up. For this reason I see no logical explanation why this all-inclusive amendment should not be accepted by the government.

• (4:30 p.m.)

This legislation sets out the guidelines for development in the incentive areas. The various committees working in these areas to bring in secondary industry and other facilities to build up their growth potential must be given clear-cut directives as to who will be eligible for grants in their areas. This is necessary if proper planning is to be done. It is not good enough to let a committee know that tourism may come under the department

[Mr. Harding.]

but is not included in the act. I see no reason why this important amendment should not be written into the statute.

I certainly agree that secondary manufacturing or processing industries are vital to the regional development envisioned by the bill. This type of industry, however, tends to concentrate in the more industrial parts of these regions for obvious reasons. I feel it is desirable that every section of these incentive areas should be entitled to the economic stimulant which we hope will come from this bill, and in many sections of these areas the best possible incentive would be assistance to the tourist and service industries.

There is one point that must be crystal clear to everyone. In the tourist industry we are not providing facilities which will be based on an expendable resource. We can sell scenery and other tourist attractions ten thousand times without depleting their potential, and this is something we certainly should not forget when dealing with this problem. I feel that the government is restricting itself much too narrowly in a modern economy by merely accepting the concept of manufacturing growth. There could well be other types of industrial activity much more suitable to an area than manufacturing. I hope the minister will see the matter in this light and accept the amendment now before the house.

The whole of the Kootenay West region could be classed as a slow growth area. It has tremendous potential. Some of it is in the manufacturing field, but certainly one of the greatest undeveloped potentials where assistance is needed is in the field of tourism and in the service industries. I trust that this great potential, which is to be found in many other areas of Canada where natural resources are not too abundant, will not be ignored by the minister and the department through failure to include it in this legislation. The minister, after all, is the servant of the house, and those interested in regional development should press for this important economic aspect to be included in the present legislation.

I urge the minister to take a second look at the legislation. I read the committee reports. I have gone over the arguments very carefully which the minister raised against the inclusion of such amendments. The minister should not be alarmed at something like this being included in the legislation because it is his department which will make the final decision in allocating funds for projects in