

*Employment Incentive Programs*

ing industry will suddenly emerge. It seems to me that if we are going to provide assistance through the federal government to these areas, we will have to widen and improve the opportunities available under DREE. For example, I would suggest expanding the section in respect of secondary industry to include tertiary industries such as the tourist industry, hotels and motels in these regions, because this seems to be one of the bright spots in the growth pattern of these particular regions.

**Mr. John Burton (Regina East):** Mr. Speaker, I think it is very useful that a motion has been brought forward today which attempts to take an over-all view of the whole range of the government's incentive programs as they are applied through a number of government departments. It can be said that the government's incentive programs do not represent a co-ordinated or a planned program and this is really one of the basic deficiencies. What we have is a patchwork approach which involves the constant plugging of loopholes.

Usually these programs brought forward represent a response to a particular problem or situation. In every case we see demonstrated the government's faith in the infallibility and reliability of private corporations to keep the economy healthy. I suggest there is a very basic conflict in government involved in this situation. On one hand we see that it still wants to demonstrate its faith in corporate capitalism, while on the other hand it has to recognize that it cannot escape the fact that in today's world government must accept final responsibility for the performance of the economy. Of necessity, and no matter whether the government likes it, there has to be a degree of government intervention in the economic affairs of the nation.

Tonight I should like to deal with one particular aspect of the government's incentive program, namely, that carried out through the Department of Regional Economic Expansion. We see in this department one of the best examples of the folly of the government's approach. This department, which was created in 1969 in keeping one of the promises made by the Prime Minister (Mr. Trudeau) during the last federal election campaign, was designed to do something about the problem of regional disparity in Canada. Over the past three years this department has spent \$1.2 billion, and during the current fiscal year it will incur an expenditure of another \$500 million. Certainly this department has not had to contend with any restrictions in its budgets. It should be noted that the expenditures to which I refer include millions of dollars spent on programs the government now admits it has to overhaul or has had to overhaul.

Perhaps I should first make reference to some comments of the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Roberts). I took careful note of his comments. He was rather critical of our criticisms about the lack of progress in overcoming regional disparity. I think I quote him correctly when I say he suggested that this will take a period of years. None of us has any quarrel with that statement, but surely after three years in operation and the expenditure of the sums of money I have mentioned we have cause to take a look at the progress being made by the government? Is it making any progress in overcoming regional disparity?

[Mr. Reid.]

We want something in the way of a progress report. On any number of occasions evidence and information has been given to this House to show that the governments policy is not solving regional disparity.

I took note of what the parliamentary secretary said about Professor Springate's testimony before the regional development committee this spring. The comments of the parliamentary secretary represent the first objective analysis of that presentation that I have heard from anybody on the government side of the House. I want to make it clear that I am not necessarily holding a brief for the comments of the hon. member for St. John's East (Mr. McGrath), but I would have to agree with what the parliamentary secretary said, that one cannot draw conclusions from Professor Springate's study. Rather, he opened up areas which require further study and investigation. He posed some very serious questions about the operation of the department which require further analysis.

After Professor Springate presented his critical analysis to the committee, with all the qualifications outlined by the parliamentary secretary, the Minister of Regional Economic Expansion (Mr. Marchand) and government members on the committee did everything they could to belittle Professor Springate's thesis and the PhD he obtained at Harvard University. As a matter of fact, their efforts went to the extent of even calling into question the qualifications and capabilities of the tutoring he received in writing his thesis at Harvard University. That is how desperate government members were to discredit this person who made such a useful contribution in an examination of the government's program in respect of this department.

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I think the principal area of criticism of the department's program concerns the industrial incentives program carried on under the Regional Development Incentives Act. This, of course, received top priority in the department's program. In many ways it has been the cornerstone of the department's program. Under this act \$250 million have been committed by way of special grants to the end of April. I suggest that the program has been disastrous in its over-all impact. It has not made any significant contribution toward overcoming regional disparities.

I want to make clear that I do not question that there is some place for an incentives program. But if we are to get the best possible value for our money, I suggest such a program should be developed within the framework of a well planned, national, economic plan. I suggest there have been many harmful and inadequate features of this program. In the first place I think it has had the effect of distorting, ruining and hampering many of the other worth-while programs which are being carried on by the department. The industrial incentives program has had top priority on the basis of the minister's statements and on the basis of statements by officials of the department. There have been lavish handouts to industry.

There are other programs such as the Multiplex program in New Brunswick which we would like to see given greater priority, and the agriculture service centre program in the Prairies. These are the type of programs which could make a basic contribution toward establishing a better economic framework to enable the various