

*Government Organization Act, 1983*

the people in those areas in a concrete and specific way do not come to us, I do not want a part of this particular program.

We are establishing federal economic co-ordinators who will work with the Provinces and the people in the regions in order to develop through co-operation the programs that best relate to the specific difficulties that are being faced by our most impoverished regions of Canada. Perhaps his alternative is to centralize the whole bureaucracy even further in Ottawa. If that is the Conservative alternative, which is what the Hon. Member was saying, then I want Canadians to know that specifically.

A third point the Hon. Member made was that small business will be left out of the new initiatives and that only big business will benefit. What proof does he have for that assertion? Surely by putting the small businesses and the federal economic development co-ordinators together in the particular regions, additional access for small businesses will be created so they can go to the table to negotiate and become involved in the process of setting our regional priorities. It was far more difficult for small businesses from the various regions to come to Ottawa. Instead, we are going to the regions and making this access available. This is a third instance where there is confusion, deliberate misrepresentation or simply total ignorance of exactly what we are trying to do. Again, no constructive alternatives.

● (1200)

Fourth, we have tax incentives versus grants. In essence he said he favours tax incentives to grants. This is a motherhood statement when you look at the record of our Government and particularly at the last budget. What did we do? There were enhanced tax incentives to all businesses and to the private sector in Canada in terms of enriched investment tax credits whereby those companies wanting to expand could receive greater benefits. We also saw a program where research and development was enhanced for the introduction of new technologies. We had before that budget the most generous tax program in the world for introducing new technologies in the private sector. We enhanced those provisions in the budget in a way that will particularly assist small businesses. They will be able to transfer their excess tax advantages to investors to attract new capital.

I am not interested in theoretical arguments about whether tax incentives or grants are best. We all favour a generous tax incentive program that will enable the private sector to set its own priorities, and that is exactly what we have done. Did the Hon. Member propose any alternatives to us? Did he specify where he wants to see small business given additional tax breaks in addition to those already in existence? This is the Member who has been complaining so much in the past about the level of the deficit. I want to see what those specific alternatives are and where we want to enhance the capacity of small business further.

Let me say something about grants. I prefer, and this Government prefers, that we have tax incentives instead of grants. There is no question about that. But grants do have a

very important role to play. Hon. Members should talk to companies that once were very small, such as Mitel, which have benefited from grants and have had opportunities to expand and become very large. Yes, there will be problems with grants. They require a decision by Government. There is not one small-business person to whom I have spoken who would ask us to do away completely with grants that assist small businesses, new entrepreneurs and, those people who otherwise would have no tax advantage to speak of. If you think that every grant we give will result in a successful operation, Mr. Speaker, that is absolutely wrong. We must not be afraid to have certain failures in these areas. By using grants in certain cases we are expressing faith in Canadian entrepreneurs. I make no apology for that. I particularly make no apology for doing that when it comes to entrepreneurs in the developing regions of Canada.

I think we have demonstrated that this approach of the Opposition is not one based on fact or on one dealing with the specific realities of the Bill before us; rather it is one based either on misrepresentation or total ignorance. It is an approach based on an attempt to replace co-operation in solving our national problems with partisan bickering. I hope that as legislators we could determine that the good of the people of Canada, those who send us here, is more important than this partisan approach in dealing with our problems today.

Having said that, Mr. Speaker, I would like to talk about some of the specifics of this Bill as they relate to our Government's commitment in dealing with the regional economic problems of Canada. Before the reorganization, the responsibility for regional economic development was contained in one Department, the Department of Regional Economic Expansion. This was a bold, new initiative and it had many successes under our Government. We have felt for some period of time that this important initiative cannot be left to only one department, that it is one where the responsibility has to be expanded. Therefore, we have attempted through this Government reorganization to create a new Ministry called the Ministry of State for Economic and Regional Development, "regional" being the important word, and to put the emphasis on the regional aspect of the economic development program.

What does this mean in concrete terms? Instead of just one Minister for DREE as in the past, we will have every Minister with an economic portfolio involved in the regional aspects. Second, we will have the economic and regional development committee of Cabinet with all of the economic development Ministers having the regional aspect as a chief priority on any decision that goes before that committee. What we have done is make the responsibility not that of solely one Minister or Department but one of all the economic Ministers and the very important co-ordinating committee chaired by the Hon. Minister to whom I report. This is a very concrete step forward.

The implementing tool of this type of approach will be, as you have already heard, Mr. Speaker, the placement of a federal economic development co-ordinator in each province. The co-ordinator will be responsible for implementing our