

north of that line falls within the DREE designated area, while everything south or below falls within a prohibited area. As a result it does not matter how worth while a project may be, it cannot be assisted through DREE if it is south of that line.

As a matter of fact I know of one project that DREE officials said would qualify in every respect except for location. I do not think we should tie the minister's hands in that way. The minister should have enough flexibility so that he can consider a project and decide on its worthiness other than on the basis of its location. When a project must take place within a certain area, the purpose of the act is defeated. For instance, Fort McMurray lies north of that line in Alberta and there is no need for DREE assistance there. There is ample employment for thousands of people there, and things are going along fine. Perhaps we might find the same thing in other parts of northern Alberta, yet there have been projects suggested in areas south of the line which really would have increased production and provided employment, but the minister could not approve them because of that part which says projects must be in designated areas.

I would strongly suggest to the minister that in establishing these areas or regions, the provinces should be designated, perhaps with much stricter criteria. In this way it is more likely we would assist the most worthy of the projects, and I am thinking of those projects which would create the greatest amount of employment and contribute increased production. Those are two of the major criteria that should be established, the provision of jobs and increased production. When we increase production we add buoyancy to the economy and make things better for everybody. Every endeavour should be made to designate areas so that we do not bar worth-while projects, but rather accept projects on the basis of worthiness rather than location.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, like others, I am committed to allowing the bill to pass second reading before four o'clock. I know it is the disposition of hon. members that this bill be referred to the committee today. However, I want to make a few short remarks. I make a special plea to the minister that at committee stage he give some thought to one problem in relation to the DREE program. This has already been alluded to by my good friend, the hon. member for Bow River (Mr. Taylor). This problem arises from the fact that those of us in the province of Alberta live in a situation where DREE operates in the northern part but cannot operate in towns and communities in the south. Many of those southern communities should not be receiving DREE grants, but they should not be robbed because of criteria in the DREE program. This is the basis of the appeal I make to members of all parties today.

Let me give an example of what happened in my constituency. A company in the city of Saskatoon wanted to relocate a sodium chloride plant in Camrose, Alberta. Officials of the company assessed this beautiful prairie city for their purposes. They found there was an ample water supply, two railway services with all the amenities required. However, they found that if they located the plant in Grande Prairie, a rather

Regional Development Incentives Act

booming and prosperous community at this time, they could get a \$3 million write-off. Obviously, Camrose, Alberta was not to become the location of this plant when the company found it could write off several millions by locating somewhere else. What happened was that the plant was to be located there, rather than in an area where there is not particularly rapid growth, but can be described as fairly stagnant. Because of DREE incentives the company located in an area other than the natural location for that industry.

My appeal to the minister and to the hon. members who will be sitting on the committee is that they attempt to arrive at some mechanism through which DREE grants are given to industries which wish to locate in areas that are naturally compatible with their operations. Certainly it is logical that we should provide incentives to the pulp and paper industry locating mills in Whitecourt, Alberta. Certainly that is not the case in respect of a sodium chloride plant being located in a place quite removed from a network for shipment to the prairie farming area, because a sodium chloride plant essentially serves the farm industry. Such a location is a false location, and I think these things should be taken into consideration.

● (1550)

I hope that all hon. members will recognize the importance of ensuring that we use DREE as an incentive, not as a disincentive. I also hope that that particular point will be taken into mind by the committee and that it will attempt to do something to ensure that the dispatch of DREE money is done in an equitable fashion so that regions do not become angry, not so much at the fact that they will not be included in the project, but because a project hijacks businesses off to other parts of the country, leaving these regions void of the natural incentives that would have come their way had they not been syphoned off by DREE.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I intend to take only a minute or two. A number of members have referred to the disposition of the House to give this bill second reading this afternoon and send it to committee. We share in that disposition, but I would like to emphasize the point made by my colleague, the hon. member for Yorkton-Melville (Mr. Nystrom), and by the hon. member for Central Nova (Mr. MacKay), that we think that the bill should be amended in committee so that the extension will be just for two years, not for five years.

It is very clear that if the program is extended for five years, the pressure would be off the government to rewrite the legislation and meet the various points which have been made today. If it is a two-year limitation, then we think that there will be more chance of the revisions which are necessary being made in the act. It is on that understanding that we are prepared to let second reading carry this afternoon so that the bill may go to the standing committee.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I can assure you that I will respect the time remaining this afternoon so that this bill may go to committee. As I have sat here and