

*Regional Unemployment*

**Mr. Dionne (Northumberland-Miramichi):** No.

**Mr. Peters:** Let the hon. member make his own speech—

**The Acting Speaker (Mr. Turner):** Order. I suggest we take a look at Standing Order 12(3) which states that when a member is speaking no member shall pass between him and the Chair, nor interrupt him, except to raise a point of order.

**Some hon. Members:** Hear, hear!

**Mr. Peters:** I am surprised that the minister and some of his colleagues do not know how the DREE program works. I would be prepared to read it to the hon. gentleman, but I do not think it would help. After all, he is supposed to have written it. The fact is, if we were to put in the program I thought we did, both under ARDA and under DREE, we would be able to help any part of Canada which needed help and there would be no need to "suckhole" to a province to get their help before we could put a program in that province. This seems to be one of our problems. We are balkanizing the country because the minister has not taken it upon himself to put these projects into operation.

**Mr. Baker (Grenville-Carleton):** This is uplifting stuff. Listen.

**Mr. Peters:** Not long ago the hon. member for Lanark-Renfrew-Carleton (Mr. Dick) directed a question to the minister and received a reply which hon. members will find on page 4860 of *Hansard* for April 21 of this year. The *Ottawa Journal* comments on this reply. It states that more than half the businesses funded under DREE during the last six years in the Renfrew-Pembroke area never got off the ground after getting the grants.

**An hon. Member:** That is totally inaccurate.

**Mr. Peters:** Members over there say it is inaccurate. But I have the *Hansard* here. Applicants in commercial production as of November 30, 1976, were marked with an asterisk. All one has to do is look at the case of Shuffleboard International. In 1970 Shuffleboard International of Pembroke expected to provide 30 jobs. It received a grant of \$72,540. The same company, in Renfrew, expected to create 32 jobs and received a grant of \$77,238. As of the date on which this reply was presented, the minister told the House that neither one of these plants was in operation.

**An hon. Member:** Add them up.

**Mr. Peters:** I shall not add them all up. My time does not allow for that. In summary, 32 out of the 62 companies financed under the Regional Economic Expansion Program were not in production as of November 30, 1976. That is what the minister said. Then the article in the paper states that a total of \$13 million was provided in grants during the six years to last November on the promise that 2,729 new jobs would be provided in the upper Ottawa Valley region. But companies which received almost \$7 million of the total grants either

[Mr. Peters.]

folded or never got started. At least 399 promised jobs disappeared with those government-funded enterprises.

I listened to the minister today and I agreed with him when he said he was dealing with high risk projects in many cases. But I have a word of advice for the minister, if he really wishes to make the program work.

**Mr. Dionne (Northumberland-Miramichi):** Don't take your advice.

**Mr. Peters:** That is a stupid comment. That is the kind of comment you get from New Brunswick. If the minister wants to make it work, why doesn't he take equity in these companies? This would mean putting people on the boards of directors.

**An hon. Member:** We tried that before.

**Mr. Peters:** Very well. We did it in the case of Texas Gulf and we now run Texas Gulf. But that is a successful operation so we never talk about it. The minister pays about as much attention to his department as he does to members of the House, so I cannot expect him to learn much, but it would seem to me that by taking equity in some of these companies, if not all of them, in proportion to the amount of money we put in, we would be in a position to assist in the running of those operations. The minister will agree with me, I am sure, that there are some very capable people in his department.

Why do so many of these companies go broke? They go broke, very often, because they are unable to provide adequate management. The operation may be larger than the manager had ever handled previously. It might be encountering financial difficulties or marketing problems with which the manager is not familiar. In addition to the grants we make we should be prepared to contribute some of our expertise, since we are capable of doing some of the jobs management is not able to handle. There have been bankruptcies in my area the same as in the Pembroke area.

In many cases companies go broke because management was not successful in marketing the product. Experienced and competent advisers might, in a few hours, offer suggestions for changing the management structure in such a way that the operation would have a far better chance of success. We do not offer such assistance. We simply make a grant available and the minister does not even know whether a company is successful or not, whether it ever employs anybody. All he can go by is the amount of money repaid, and in most cases no repayment is made until the manufacturing operation has been in production for a year. So a lengthy period elapses, probably two years, during which the minister is unable to tell us whether there are any employees working in the plant.

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If DREE is to be improved and is to be successful, it has to be improved in a number of ways. First, it should be a universal program. We should not have to worry about what the Ontario minister of industry thinks, or whether or not the province establishes a northern ministry, or whether or not