

(c) The Committee recognizes the inherent difficulties involved in designating a programme that will successfully resolve all the problems that were raised. It further recognizes that the Area Development Agency's programme is but one instrument to cope with the problem of unemployment and slow economic growth. Some of these problems arise from the possible differences in the objectives of economic regions and national objectives. A further difficulty may arise from disparities within the same economic region. The Committee was encouraged to note that the Department is examining the possibility of finding a basic unit for designation other than the NES area. It was the view of the Committee that NES areas do not necessarily approximate natural geographic or economic units.

The Committee is also aware of the fact that a further difficulty arises as a result of the great difference that exists between areas of the country where the rate of industrial growth and economic development has been slower than in major industrial centres.

For example, the problems of economic development and industrial growth in Western Ontario and certain parts of the country are different from those areas of Canada which have historically experienced high unemployment, slow economic growth and a standard of living substantially below the national average. The question is then raised as to the difficulties involved in a programme that treats both areas like Western Ontario on the one hand, and Eastern Quebec and the Atlantic Provinces on the other, in exactly the same manner. The former situation suggests that there are pockets or areas in Canada which are relatively close to highly industrialized areas, but which nevertheless have not experienced the same level of development. The latter situation involves areas which have more fundamental problems. There are also regions such as Northern Ontario which share a common problem with Eastern Quebec and the Atlantic Provinces arising from their geographic position, away from the centre of industrial activity in Canada.

This is also true in varying degrees of Western Canada. This surely suggests one obvious complexity facing anyone charged with the administration of the present programme or anyone attempting to change the present programme, namely, the fact that it is expected to do different things in different areas of Canada.

The Committee feels some of the basic problems raised by both individual members and by the two delegations who made representations, are involved in part at least, with the concept of regional economic development. Before any changes could be made in the programme to meet some of the problems enunciated above, and particularly with regard to the concept of regional development and regional planning, there must be the fullest possible discussion and consultation with the Provinces.

In view of the foregoing, the Committee would respectfully submit the following recommendations:

- (1) That the Department of Industry continue its review of this programme with particular reference to the criteria to be followed in designating areas;
- (2) That at a future date a further opportunity be given to this Committee to further examine the programme of the Area Development Agency.

A copy of the relevant Minutes of Proceedings and Evidence (Issues Nos. 10, 11, 13, 15, 16) will be tabled later.