

Regional Development Incentives Act

ship them along the St. Laurence river, around by Newfoundland and to Hudson's Bay to their destination, than it is to ship them by rail to the port of Churchill only a few hundred miles away. It is about four, five or six times the distance to go around via Montreal.

I am told by some Hudson's Bay officials that the reason for that is that they do not have adequate barge facilities and other facilities at the port of Churchill to handle prefabricated houses. The government should look again at some of the problems of regional development and the transportation system, such as utilizing the port of Churchill and processing more of our raw materials such as food, gas or oil in the west, the fishery business, and so on. It seems to me that the regional economic gaps in this country are growing larger, not closing, and I question the value we are getting from some of the money that is now being invested in DREE.

There is one other concern which I would like to voice, and I will make two more points about DREE. We seem to be getting more centralization in terms of the expanding civil service in the Ottawa-Hull area. When the government talks about regional development and the inequities in this country, it should explore very seriously the possibility of decentralizing many more of the federal government departments.

For example, why should the Department of Fisheries not be located in the Atlantic provinces, or the Department of Agriculture and perhaps the Department of Transport not be located somewhere on the prairies? I am taking these two examples out of the air, there are perhaps other examples that would make more sense, but it seems to me that it is a possibility which should be considered. Locating the headquarters and the staff of several government departments outside of the Ottawa-Hull area in regions of the country where the jobs and the extra economic stimulus would be of real benefit should be considered very seriously. It would make the people in Quebec, the Atlantic provinces, and the prairies feel more a part of the country. This issue should not be considered from an ideological or partisan point of view but should be considered as a program to develop the country and bring it closer together.

The last concern I want to voice about the bill, since we are giving a mandate to continue the act for the next five years, is with regard to some of the grants that are made to private corporations.

In many cases, as the hon. member for Winnipeg North Centre (Mr. Knowles) said when he spoke on second reading, we hear about the number of jobs that are expected to be created, but we do not hear about the jobs that are being created and about some of the long-term impacts of certain grants to corporations. I am concerned that, as the years go by, we will find a number of examples of grants to certain corporations which will continue to operate as businesses and continue to expand just so long as the grants keep coming, but once the grants or tax concessions end the companies will no longer see the value of expanding their plants or continuing their operations, in a certain area.

So long as the carrots are coming, the rabbit will keep eating, but once the carrots are gone there will be no point in staying, and the manufacturer might as well fold up his tent and go to central Canada, to the lower mainland, or to British Columbia where the hospitals are greater, the uni-

versities are larger, and so on. We should reconsider the whole philosophy of whether or not we should bribe a company by way of grants to locate somewhere.

We should look at the whole grant structure with a view to applying it so that, for example, if we are to provide money to a company, the federal government should take equity in the company equal to the money it is putting into it. If you give money to General Electric in Kamloops, say \$500,000 to develop their plant, the federal government should take equity equal to the amount of money it is putting in because after all we are spending the taxpayers' money, so why should it be an outright gift? Certainly the companies provide jobs, but why should the government not be taking equity?

If we were private individuals we would not be putting money into any business endeavour or parcel of land unless we had a proportionate share of the equity. The federal government should have a continuing and direct say in a real way over the operation of a plant in the years to come. I suspect that as the years go by we will find that in some industries the majority development of which DREE will have financed, the government will be left with no equity in the end. To me that does not make good business sense, and it certainly does not make good political or moral sense since we are using the taxpayers' money for the purpose. That has been the practice in this country for a number of years, not just in DREE but in terms of tax concession which we give companies, in terms of total cost allowances given to companies, in terms of the plots of land which we give free to municipalities and provincial governments, or the years of tax free operation which we give to certain companies. It happens in all the provinces and in most cities.

If you were to total all the give-aways to certain corporations, you would find out that in many cases the majority of the money put into developing a plant has been taken from a public source. If we are going to put the money in, why do we not own the place? If we are going to build a plant, why do we not own it? I think that is not only responsible and highly moral but also good business, since it is taxpayers' money we are spending.

● (1530)

One last point I should like to make is that I should like to see some time in the future a really thorough study made by DREE as to the impact it has had in a particular area, with regard to how many jobs it has really created which would not have been created if the department did not exist, how many jobs are still there after DREE stopped giving certain grants or handouts, and what impact the department has had on the economy of our country.

I would like the government to consider seriously the three things I have mentioned: government departments working at cross purposes with DREE—I think that is a very valid point and a very valid criticism—working out a national development plan, and considering the whole concept of decentralization and, over the years, moving some of the headquarters and head offices out of the national capital area into the developing areas of the country.

Finally I should like the government to consider the philosophy of giving money to a corporation. It should not