

*Regional Development Incentives Act*

● (3:20 p.m.)

Peter to pay Paul. I have spoken on the subject many times. Many times I and others in my party have told the government it was introducing inadequate legislation; that it constituted a cruel hoax and would not help the people of the depressed areas of Canada. We have gone full circle. Having brought in inadequacy after inadequacy, the government for the first time has recognized that rigid sets of rules will not really solve the problem. We do not need legislation to solve the problem of poverty in this country. All we need is a willingness on the part of the government to allocate resources and funds in a proper way so that the problem of poverty can be wiped out in this country.

I am speaking in this manner because I do not wish to see the minister's power limited more than it has been. When I first spoke on this bill, I said that the minister was being given the powers of an economic czar. Perhaps he needs those powers and, in any event, my remarks were not intended to be derogatory. I said he has virtually unlimited power in this field and complete flexibility. He may now be able to reach his objectives. I point out that from now on we shall not be looking so much at the legislation and saying that one clause needs to be altered here or a few words added there, but we shall be looking at what is done. We shall be looking at the results of the minister's actions and at the willingness of the government to give him backing.

We have finally escaped from the concept of ordinary criteria. When the government adopted so called criteria based on unemployment or growth standards with respect to designated areas, it looked to some of us very much as if the government was trying to avoid decisions. For instance, the government could always say to an applicant, "But your area does not fit into the pattern; it does not exhibit this characteristic or that characteristic and therefore we cannot help you." That was one way of passing the buck. I have seen this sort of thing happening for five years during which the people of this country have suffered because the government did not take a firm stand and solve the problem of poverty. I may be excused for wishing the minister and his program well because at the moment his intentions are not obvious. Everything is so flexible that we feel he needs all the goodwill in the world, not only from the opposition, but from members of his own party in order to achieve some success in this direction.

I am pleased to see in this legislation the emphasis on the development of secondary industry. Too many of the disasters of this country can be traced to primary resource development. We have seen industries engaged in primary resource development after a few years leave nothing but a wake of human disaster in their trail. The way this bill is written seeks to recognize that Canada is becoming a secondary manufacturing nation. Primary resource development should not be encouraged; it has to be there anyway and if the inducement to go there is not enough, that is as much as we should do.

While the minister has somewhat neutralized his position regarding primary resource development, if he really recognizes the importance of secondary industry he should have some very detailed discussions with his colleagues about the kind of incentives we are now providing to the mining industry in this country. This industry does not need these incentives, with the result that much capital is being misallocated. If the principle of this bill is to be carried through, the minister should recommend to his colleagues the implementation of the proposals of the Carter Commission on the tax changes and capital depletion allowance.

I agree with the provisions of this bill regarding service industries. In my experience, service industries will go where there is an industrial base. If there is no industrial base, no inducement in the world will bring a service industry into that area. On the other hand, if there is a prosperous industrial base everything else is parasitic, everyone lives from the employment provided by that industry base. A concentration of basic development is needed in this country, not any kind of industrial development, but largely manufacturing development. This is necessary for every part of this country.

It is possible for every part of this country to have secondary manufacturing. I really believe this. I do not think it is necessary to live with the idea that some parts of Canada are good only for mining and tourism. Under a properly organized and planned program, we can all benefit from secondary manufacturing. This should be our purpose. Manufacturing provides the flexibility that is needed in a changing society. It enables people to adapt. It means the capital resources which go into a townsite or community will not be lost because a mine happens to close down or