

*Regional Development Incentives Act*

5.6 per cent in 1969. I do not think hon. members from the province of British Columbia would argue against the suggestion that we should designate British Columbia. They might argue that we should have special provisions brought in by the government to accommodate serious economic crises in various parts of Canada, including British Columbia, and I would agree with that. We need special measures to help particular parts of Ontario, and Montreal, which require incentives of various types in the form of economic aid and assistance during this crisis period of extensive unemployment. I do not think this Regional Development Incentives Act should be diluted by the patchwork designation of regions just because they face this kind of situation. Perhaps the minister is in agreement that there is a lot behind this move, and that before all this is over history will record what is now taking place in this cabinet and this government.

The Atlantic Provinces Economic Council, in their Newsletter for November, 1970, makes some observations about the distribution of incentive grants in various parts of Canada. The letter reads in part:

The incentives program seems to be having little or no effect in broadening the industrial base of the region, the bulk of the grants being made in the food and beverages and wood industries—the two industries which are the backbone of the existing manufacturing base. Nor are the grants proving useful in promoting the establishment of growth centres—

The same newsletter goes on to quote the distribution of grants from October 21, 1969 to September, 1970, one year. During that period there were 285 industrial incentive grants made in Canada; 11 were made to the province of Newfoundland; 9 to Prince Edward Island; 30 to Nova Scotia and 34 to New Brunswick. The province of Quebec received 104 grants, 22 went to Ontario, 65 to the Prairie provinces and 10 to the province of British Columbia. The total amount of grants represented \$79 million offered as incentives to industry in Canada. The province of Newfoundland received less than \$1 million or a percentage of 1.1 of the total incentives. In the province of Newfoundland, there is a much higher percentage of the total population than those figures would seem to suggest. Prince Edward Island received just over \$500,000, less than 1 per cent. Nova Scotia received \$20 million or 25 per cent. New Brunswick received \$7.9 million or 10 per cent. Quebec received \$30 million or 38 per cent. Ontario received \$10 million, or 12 per cent. The Prairie received a total of \$8.7 million or 11 per cent and British Columbia received less than \$500,000, or less than 1 per cent of the total grants. Those are the particulars prepared by the Atlantic Provinces Economic Council.

I understand the Council will have representatives appear before the committee when it meets to receive representations on Bill C-205. There is very serious concern on the part of this Council and the Atlantic provinces about the moves being made by the minister, the cabinet and the government, specifically in respect of regional disparity and development. We have, in the Atlantic provinces, a type of economic fibre unlike that of Montreal, Toronto or Vancouver. We have a multiplicity of small industries and small businesses. Many of

these people know very little about the sophisticated international money markets or monetary and fiscal policies. We hoped that the incentives built into the regional economic expansion program would help a lot of the small industries indigenous to the regions to which I refer. I refer to the Atlantic provinces, the lower parts of the Prairies, the northern part of Ontario and rural parts of Quebec. These are the areas which require assistance in developing industries which are local and indigenous in nature to these areas.

Instead, we understand that 75 per cent of the total incentives have been outright gifts to multi-national corporations. I have in mind the announcement of a \$12 million grant to a particular firm in Canada. I am not taking exception to this, but can hon. members of the House imagine where the bulk of the incentives are going to go in the industrialized parts of Canada, such as Montreal, which is designated as a special incentive area? Can hon. members imagine a small lumber dealer, a small fish plant operator or a small farmer in Nova Scotia, New Brunswick or Prince Edward Island, or even in my own province, trying to compete with these great multi-national organizations? This is the kind of thing which will ruin regional development in this nation and the whole Department of Regional Economic Expansion.

• (3:00 p.m.)

I am not against special emergency problems. I am not against special measures to help any part of Canada which has economic disparity or special economic crises. I could refer to certain cities which have had heavy unemployment this year caused by the government's mistaken attack on inflation, by the use of unemployment as a lever. I am not against that. I believe this is a necessary reaction to a situation the government has itself created. It is necessary to have special measures, but I do not think we should prostitute the industrial incentives Act in such a way that we dilute its effectiveness in parts of Canada where there are particular problems. I am against that and I do not agree with it.

We have been asking that special monetary and fiscal policy be adopted in special regions in Canada. I could not take the time to express even my own limited opinions concerning how monetary and fiscal policies should be adopted for special regions. This, however, is what the government must do if it is sincere in its fight against regional disparity. On Friday, the hon. member for South Western Nova (Mr. Comeau) made a statement which sums up my views to a "T" about the need for the special regional development effort being oriented to the resources of particular areas. I say, for example, that in the last year and a half there has been a real contradiction in respect of the government's effort in the Atlantic region. The government has moved in to do two things. First, it has provided infrastructure in areas where this was inadequate. It has provided public services to attract industries where public services were lacking. Having provided these things, the government provided incentives for those industries which would move in and take advantage of the provision of the infrastructure.

[Mr. Lundrigan.]