

*Regional Development*

We hear figures of hundreds of millions of dollars bandied about and directed toward housing, but hundreds and thousands of families are still without decent accommodation in all parts of Canada. With all the experts flying around the various provinces on missions to coordinate and advise on these matters, and the formation of liaison committees, surely we should see some results by this time. Indeed, there have to be some results, Mr. Speaker. If you keep pouring enough money into something you are going to get some results, even by accident. But is it not time we started to take some advice from the people affected by the programs? Is it not long past time we proved our pledge to allow Canadians to participate with government in their own development?

The Local Initiatives Program proved in a great number of cases that people in all parts of Canada have the initiative to help themselves because they have experienced their needs every day for the past hundred years. With all our programs, are we getting the results we are looking for? When are we going to take the lead in providing initiative grants to Canadians without first looking at their bank account? If the government can provide funds for local initiatives programs to provide band-aid relief to unemployment, why can we not find a way to provide the small businessman or the prospective small businessman with some starting capital in order to apply his knowledge and initiative for the good of his region and the country?

We have many loan programs, Mr. Speaker. We have the fisheries improvement loans, the farm improvement loans, the small business loans and the Industrial Development Bank. But what have been the results in my province? In the latest report on small business loans, the figures for the quarter of October to December, 1971, show two loans to Newfoundland in the amount of \$50,000. The report of the fisheries improvement loans for the same quarter, shows one loan to Newfoundland in the amount of \$11,700. We did pretty well in this quarter under the farm improvement loans. Somebody must have made a mistake, because our usual quota is one per quarter but we got three loans under this program to three lucky farmers for the grand amount of \$15,500! They would have been better off if they had submitted a project under the Local Initiatives Program.

Just try and get a loan in Newfoundland under these programs, Mr. Speaker. What happens when you go to the bank? If someone happens to have the security, a fisherman for example, he is steered away from the government guaranteed loan of 6½ per cent and given a conventional loan of almost 12 per cent. I have letters to prove that. If he does not have the security, he has not a hope in hades of getting any consideration. The government always tells a tale of woe when you complain and says that the loans are considered in the conventional manner by the particular bank on the merit of the individual. Then why do we have these programs? If you go to the Industrial Development Bank in order to get a loan, you have to sign over your assets, even your wife and children. My colleagues from Newfoundland have raised this question time and time again, but to no avail. The Minister of Finance (Mr. Turner) shrugs his shoulders or writes to the member that there is nothing he can do about it.

[Mr. Marshall.]

I submit that these programs should be investigated. The \$75,000 a year president of the Bank of Canada should be directed to remind the chartered banks that it is their duty not only to make vast amounts in interest but also that they have a responsibility to Canadians and to the development of Canada. I understand that in agreement with the province of Newfoundland an industrial development corporation is being established with a fund of \$600,000. This corporation will provide more assistance to Newfoundlanders and advise them in starting small industry. I certainly hope that there will be some common sense direction. I am sure there will, because the Premier and his Progressive Conservative government will ensure this when he wins a clear majority on March 24.

**Mr. Speaker:** Order, please. I regret to interrupt the hon. member, but his time has expired.

• (1620)

**Hon. Allan J. MacEachen (President of the Privy Council):** Mr. Speaker, I would like to deal with a few matters in connection with the very great subject of regional economic expansion because the Atlantic provinces, the area I represent in the House of Commons and the people of the area have an important stake in the efforts of the government to increase incomes and employment in the disadvantaged parts of Canada. If time permits, I would like to make some comments about three aspects of the program: first, the industrial incentives; second, the program of infrastructure and, finally, a part of the program of the department that has not been mentioned so far, namely, the work of the Cape Breton Development Corporation.

Before entering these particular aspects of the work of the department I would like to refer to the suggestion that has been made that in some way there may be a conflict of interest in the operation of the Industrial Incentives Advisory Board. The Industrial Incentives Advisory Board is chaired by the deputy minister and is composed of civil servants as well as outside representatives of business and trade unions. There is no possibility of any conflict of interest arising in the operation of the board, because it is purely advisory in capacity; it makes no decisions. When matters affect any individual on the board or organization, the interest is made known and that is taken into account in the subsequent discussion and decision. I hope hon. members will relieve their minds by the knowledge that there is no possibility of conflict of interest. We ought to be careful in making such allegations so that we will not lose the services of persons who are making a real contribution to the industrial expansion of the disadvantaged areas in Canada.

With respect to the operation of the industrial grants program, it has been suggested in the debate that this is the major emphasis in the department. That, of course, is not the case. The total budget of the department is spent in a balanced assessment of the needs of industrial development, industrial grants, infrastructure, rural development and social adjustment. In fact, the total budget is split three ways among these three areas of departmental activities.

A good deal has been said about industrial grants. They have been knocked by the New Democratic Party as an