

*Regional Development Incentives Act*

people in the regionally depressed areas who will be affected by the government's regional development program. There is one notable exception which has to do with some of the Newstart programs in various parts of Canada. These programs I feel have made a very important contribution in terms of the participation and involvement of people, and in helping people develop the ability to solve their own problems by taking action on their own initiative. This is a very useful type of program. Possibly I have missed some announcements, but I have not seen any announcement by the government or by the minister concerning future plans for the Newstart programs and whether, in fact, there is a plan to continue these programs either in their present form or through some successor type of organization or structure.

• (4:50 p.m.)

But, I think, coming back to the main problem, there is a feeling in many parts of Canada that in fact there is no real participation by people in dealing with the problems that the department is attempting to tackle. The minister has many able people who are assisting him in the department. They are able, sincere and dedicated and are trying their best to do a good job. I want to make it clear that I am not in any way deprecating the staff he has built up around him in the department. But regardless of how good a staff the minister has, it is simply impossible for him and for his department to do the type of job that is expected unless they find ways and means of involving people in the communities concerned. This is the type of emphasis that I feel the minister must develop with respect to his programs in the future.

Finally, with respect to the implementation of the program, I feel that there has been too little use made of public agencies and of co-operative methods, in attempting to solve economic problems in many parts of Canada. Of course, we have agencies in some areas, such as the Cape Breton Development Corporation, which I think are very healthy types of institutions which can take some initiative in dealing with economic problems in a particular region or area. This type of thing needs to be developed more in the future. There is as well the fact, a point I have made already, that a higher percentage of assistance is given to firms in various parts of Canada under the proposals now before us. If there is to be 35 per cent or 50 per cent public financing in a significant number of projects, then certainly there is a very good case for ensuring that there is public involvement in the decision making and in the whole development of the projects that are involved.

Turning to the specific provisions of this bill, I recognize that some of them are designed to deal with some special problems which have come to the fore in Canada in recent months. I hope they are successful, but I am very dubious that they will in fact do the job expected of them. I am somewhat disappointed that we have had so little in the way of a thorough analysis of the legislation before us and little in the form of an analysis of the Regional Development Incentives Act now that it has been in operation for a year and a half. I have already

made some comments with respect to the special development incentive which is provided for in the bill now before us. I have some very grave doubts as to whether that, in fact, will act as any real spur to economic development in areas such as Montreal, southwestern Quebec, and possibly some areas of Ontario as well. Of course, the minister is more familiar with these parts of Canada than I am, but frankly I have to express some reservations whether, within the framework of the government's program as it has been developed—critical as I am of it—this will act as any real spur to development and to the provision of more jobs, particularly for the people in the province of Quebec where some 168,000 people are now out of work.

I was very interested to note that there is an extension of the operations of this legislation in the provision for loan guarantees. I was interested to note that these loan guarantees are to be made available to some service industries. The government, in fact, has made an important departure from policy in that it is going to go beyond the area of secondary industry and is going to assist tertiary industry as well. I am sure the minister will recall that when this legislation was originally before Parliament a year and a half ago, a number of us urged that assistance be made through these incentives both to primary and to tertiary industry based on adequate criteria. I am happy to see that this is now being made available, that the government has learned a little in this respect. I think it is possible that these loan guarantees can fulfil a useful function and that in particular as the minister pointed out in his public announcement that accompanied the introduction of the bill, it will be especially useful to small business.

I hope that that is the way in which these loan guarantees will be used, namely to help small business. In fact, I have some question in my mind as to whether or not some limitation should be built into the bill as it is now before us which would ensure that it could be made available only to a category of business that we might term small business.

Finally, we have questions regarding the lifting of the ceiling on the total amount of grants that can be made. I look forward to hearing what the minister has to say on this matter, whether he feels that this ceiling should be lifted, what purpose will be served, and to what use this particular change will be put. Thus, it will be seen that we have many serious questions that need to be asked about regional development legislation and, the performance of the regional development program over the past year and a half. I look forward to further debate during the course of the second reading of this bill and also in the committee stage, because I feel that these programs are very critical to the future well-being of Canadians. I feel that the programs that have been developed by the government are inadequate and that the bill which is before us today is inadequate because it will not do the job, both within the terms of the bill and of the program as it has been developed as well as within the scope of the government's total economic policy which, as we all know, is totally inadequate.

[Mr. Burton.]