

Government Organization

their special skills, are offered employment in other regions. However, the program will develop at a modest rate initially because of associated problems of providing adequate housing for these miners in the Alberta and British Columbia mining areas. Conventional approaches to the housing problem cannot be employed as the present mortgage rates make it virtually impossible for the average employed miner to purchase a home.

The above example clearly shows that in the absence of a well defined goal or objective and a national plan agreed to by the cabinet and by parliament, the problem of tackling regional disparities is an immense one for the minister concerned. He is bound to run into all kinds of conflict with his cabinet colleagues which, I suggest, cannot be worked out on a purely ad hoc basis.

I would like now to raise a number of miscellaneous although, I hope, relevant brief points. First, the area development agency which provides incentives to designated areas experiencing low employment and low growth should be scrapped immediately in favour of developing growth potential areas in less developed regions of the country. In other words, the minister should not wait, as he is planning to do, until late in the session to bring in his new industrial incentives act to attract industry into areas of potential high growth.

Second, it is obvious from the bill that the minister will have substantial discretionary power, to which the Leader of the Opposition has referred and on which I would like to comment briefly. The minister will have substantial discretionary power which will enable him to pick the areas which should be helped by federal incentive programs. In addition, he will be able to extend loans and grants to industries and firms that he chooses. Consultation with the provinces is envisioned, and this is a good thing, but the provinces' agreement is not mandatory and the minister will only need cabinet and not parliamentary approval for his programs. Once again I think this is a good thing. Discretionary power is desirable; it is economically foolish to be boxed in by narrow and inflexible criteria. However, I think it is clear that the discretionary power provided in this bill is much too broad. It leaves open the clear possibility of abuse in the form of political favouritism, or at least accusations of such abuse.

• (3:50 p.m.)

I do not, of course, allude to the personal character of the present minister in any way. The point I am making is that with such broad discretionary powers the temptation is there for any minister to use them for political reasons and, whether or not he does so, an accusation to this effect will no doubt be made from opposition benches from time to time. Certain common criteria of a broad nature can and should be established to avoid such a situation. Specifically they should focus on the potential for economic growth. They should be stipulated in advance and the discretionary power of the minister ought to be exercised within this framework.

The minister indicated in his speech on February 20 to the Quebec Co-operative Federation that he hopes to enlist the help of big business in his new task, and that industrialists will be encouraged by means of guaranteed loans to set up shop in special areas. One of the less fortunate possibilities of this approach is that it might lead to a continuation of the old policies which perpetuated Dosco in Cape Breton instead of the mixing of the public and private use of capital in an imaginative way.

I was recently dismayed, though not entirely surprised, to hear that Dosco was sending \$1 million a year to its parent firm in Britain as consultant fees. As taxpayers the Canadian people are in effect channelling this sum across the Atlantic through Dosco to a corporation in Britain. In return for this substantial fee Dosco, I understand, is receiving almost no managerial advice. It may not be a coincidence that since this corporation has been made a public enterprise it has shown a profit of \$2.5 million in its first year of operation. So much for at least one kind of private enterprise in comparison with public enterprise.

The Canadian people should be under no illusion that the new department will deal with poverty throughout Canada, though some have already made this mistake. It was made by the *Toronto Star*, for instance, in an editorial which appeared on February 25 lauding the establishment of the department and suggesting that action was at last being taken to abolish poverty in Canada. This, of course, is absurd. The new department will have nothing to do with the substantial problems faced by many poor people who exist in our major urban centres.

The Chairman: I am sorry to interrupt the hon. member but the time allotted to him has