

Grants to Designated Areas

people employed. The figures in this regard as I wrote them down are 14,002 employees at a capital expenditure of \$32,000 for each employee with an increase in earnings as a result of the assistance of 3 per cent.

The Minister I think really read an interpretation of the Act now before us giving some elaboration in respect of the section which relates to the Department of Industry Act. This in very broad terms sets forth the criteria to be established, not by that Act or any other Act, but by Order in Council. For that reason I suggest to the Minister that Members of Parliament who make suggestions in this regard, and I do not think the Minister has grasped this fact, are not going to suggest that industry be developed in areas or communities which will be harmed by such development. One might by subsidy entice industry to develop in communities, but if these industries are not capable of supporting themselves after the subsidy is cut off, then this measure will in fact bankrupt these communities. If the members of the communities, their industrial commissions and municipal councils cannot envisage an industry carrying its own weight after the initial incentive disappears, I am sure no responsible representative will ask that these industries be persuaded to locate in their areas.

No doubt there are many people who would be glad to lend money for the establishment of industry in certain areas because under this proposal they would receive a large proportion of their investment back in the form of subsidies. For instance, if a small factory is involved, the return could be as high as 33 per cent of the capital expenditure for such things as machinery and initial construction. I sincerely hope that the Minister will have a change of heart and will urge the committee to do something to make this plan much more successful than it has been.

In my opinion there has been a tremendous lack of leadership on the part of provincial departments of economics, or whatever the name is of those departments which are the counterpart of the federal Department of Industry. That leadership has not been forthcoming. In the Province of Ontario, while there are some very good people working in the Department of Economics who have been responsible for some of the success that has been achieved, the Government and the Minister in particular have not shown the needed leadership. A former Minister who did a great deal to develop this Department failed after

its development to give leadership in the area of the development field.

I do not believe our Minister is going to come back with a cut and dried program which will provide equity of treatment to all participating provinces, because some of the provinces are not in the same position as others. I sincerely urge the Minister to keep in mind the promise made by the Government to the House that these criteria and regulations will be considered in respect of any Orders in Council, and reconsidered by the Industrial Committee. It is my belief that many valuable and worthy suggestions will be made by Members of that Committee which the Government will have to act upon, or fail in its commitment. I hope the Minister will be sincere in his consultations with the Members of that Committee and will look seriously at the problems that will be raised regarding areas where assistance has not been provided.

I am perfectly in accord with the Prime Minister's statement. He may not have read this bill thoroughly, but as a result of reading it I am convinced that there is no great change in the criteria for designating areas. All there has been is a change in the system of incentives by the inclusion of outright grants. I do not believe the Prime Minister was talking about money, but rather about the inclusion of areas where there has been slow growth in the expansion of industrial development. What is needed is some leadership on the part of the Government for the development of equity of opportunity to communities throughout Canada.

I am as positive as I am standing here, Mr. Speaker, that this bill will not meet the requirements as suggested by the Prime Minister. The Minister is sometimes reluctant to pay much attention to the suggestions of Parliamentarians, perhaps even most of the time, but I hope in regard to this whole program he will give some consideration to the suggestions which I am sure will be made by the Committee. I have sympathy for the fact that the Minister has had a great deal of administrative responsibility, but I think before we will be able to arrive at a mutually acceptable conclusion the co-operation of each and every Member of this House will be absolutely essential, as will be the co-operation of each of the provisional departments interested in this scheme.

The Minister has said that this is a new kind of program. I agree that it has been changed three or four times and I hope that