

*Supply—Industry*

industry which cannot meet the kind of competition it will face in the ordinary course of business after the benefits of the original incentives have lapsed. I suggest we also have a responsibility in the federal administration to see that those economic areas which are strong today remain so. In this way they will be able to assist some of the so-called depressed areas over this period. The only plea I make is that we do not go too far with the designated area program so that we weaken some of the stronger areas and then find ourselves with a lot of misplaced industries. This certainly would undermine our whole economic establishment, particularly when we must be competitive in the international field.

While talking about designated areas, Mr. Chairman, may I say there are some factors involved in the formula establishing designated areas which should be examined. I am not suggesting now that anyone ought to have anticipated all the problems that may arise from time to time. However, it does seem to me that the various factors involved in whether or not an area is going to be designated should be under continuous review. One thing that has shown up is that the level of unemployment in an area seems to be far too heavily weighted at the present time. I say that because in certain communities in southern Alberta, for example, there has been an exodus of unemployed from these areas to places where there are employment opportunities; yet the growth and income level factors meet the requirements for a designated area within the program. I suggest that this is going to encourage, as some members have said, a further concentration of industry in the larger urban areas. Personally I believe that this is not desirable over the long range.

I should like now to deal with another matter affecting southern Alberta. In Medicine Hat constituency an industry was established not very long ago for the processing of potatoes. It ran into some problems in connection with a processing patent. I would have thought this would be a problem in which the Department of Industry would be keenly interested and actively involved in trying to solve it. Without attempting to be unduly critical, I do not believe that the representations made by the industry and the provincial government received the kind of response they should have received from the Department of Industry.

[Mr. Olson.]

There was, for example, some patent litigation over the processing method that had been developed by a branch of the federal government. It seemed to me that these people were left to their own resources to fight these legal problems. On balance, I think if justice were to be done the federal government, particularly the Department of Industry, should have assumed some responsibility with regard to the litigation.

I say that, Mr. Chairman, because this was a good industry. The equipment appeared to be modern and of excellent design. It was located in an area where the potential for the raw material, potatoes, was great. It seemed to me that everything was there. The location was ideal and the industry would have been beneficial not only to the farmers in the area but to the investors in the industry and to Canada. However, it collapsed. It is still not running because while the legal battle is over the delay and the clouded issue hanging over the whole project for so many months have made it difficult to resume operations.

I do not want to be unduly critical of the minister and his department because the department was in the formative stages at the time. However, it seems to me that the federal government should go to the aid of an industry in such a situation because certainly the people who tried to get it going and invested their money could not be blamed for it. I hope arrangements have now been made so that the plant can get into production. I do not know whether that is the case but certainly there has been no activity around the plant yet.

I have referred to this plant as an example of something with which I feel the Department of Industry could have been concerned. I hope that in the future they will be more actively interested in problems of this kind.

As I said, Mr. Chairman, I intend to be brief but it seems to me that because of a lack of action on the part of several departments, not only the Department of Industry, it has become necessary for provincial governments to make direct contact with certain foreign countries to try to promote industrial growth. I am not suggesting that this is wrong, but I suggest that the reason provincial government representatives have had to take this step is that not enough initiative is being taken by the federal government.

• (2:50 p.m.)

For example, British Columbia only a short time ago sent a trade mission to Japan not only for the purpose of promoting trade but