

gram to deal with the problems of foreign ownership and control in the Canadian economy, then I suggest this willingness on the part of the Department of Regional Economic Expansion to allow grants and allow giveaways to foreign controlled corporations comes into direct conflict with any such program which might be developed in the future.

• (4:40 p.m.)

When we come to the framework of the government's program, I think there are a number of serious problems as well. I believe there are very serious problems in respect of the management of the whole program and the myriad systems in the program which are being developed, such as primary incentives, secondary incentives, special area programs and so on. I suggest that within the framework in which the government has been developing this program, the program has become an unmanageable monstrosity. I suggest further that within the framework of the program itself there has been an inadequate amount of analysis of the projects for which grants are being provided. In terms of the analysis, and in terms of taking a look at the operations, one might find there are a number of operations in respect of which the real purpose of obtaining a grant or extra assistance is to bail out other types of operations.

Is there any prohibition against a new company being established which may be very legitimate but which may consist of shareholders who also hold shares in some other companies which are experiencing difficulties? This could lead to serious difficulties through the new company taking over the shares of the other companies and operating them as a subsidiary of the new company. By this means, it could engage in a bail-out operation which would be of no benefit to the people of Canada or the new shareholders who may eventually become involved in the operation.

Also, I believe it is very important that the government take a look at the economics of the projects it intends to assist. All projects should be subject to an economic criteria and analysis in order to make sure that the project is economically sound, because I do not think it is wise to assist a project which is not viable in the first place. In some respects it might be a disservice to a group of people in the long run if assistance were provided for a project which has no hope of surviving.

I have already dealt with one other aspect involved within the framework of the operation of this program and which has to do with policy with regard to foreign ownership and control of various companies. I also have some questions in my mind concerning what requirements are being placed on firms which receive grants with respect to pollution control. I know there is provision within the legislation to make sure that companies which receive assistance under these programs do follow adequate pollution control measures, but is there any sort of follow-through to this? Is this, in fact, being done in the operation of the department?

Finally, within the framework of the program as it is being developed, we must be concerned about the fact that there is no real strategy in terms of developing the

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infrastructure for adequate communities. To some extent, this is being done now in certain areas and possibly is in mind in respect of some of the special areas which have been established. I realize that some steps are being taken in this direction. It would seem to me, however, that grants are being provided willy-nilly on the basis of applications from this or that firm in many parts of Canada when in fact inadequate attention is being paid to the over-all planning and development of communities.

Finally, I should like to deal with some of the problems involved in the implementation of this legislation. The first problem I might raise, and which I raise only tentatively, is the whole question of the political or partisan political aspect. I want to make quite clear that I believe the minister was sincere in the statements he has made from time to time that he wanted to keep partisan political considerations out of the operations of his department. I feel that he no doubt has made an attempt to carry that into effect. I hope he will continue to do so. Questions may arise in some people's minds from time to time, and I hope there is no cause to follow up on this particular point. I have no direct complaint at this time. Suggestions have been made to me, but I am not prepared to put them in the form of a direct complaint at the present time and I hope I shall not have cause to do so in the future.

With regard to the implementation of the government's program, there is one problem which it seems to me is being raised in the legislation before us. I refer to the fact that the government proposes to remove the ceiling on the extent of the grants which may be provided to various commercial operations or industrial operations. This is a very important change in the program. I realize there are still some limitations which are retained in the legislation, but nevertheless the ceiling is being removed. I think we require more explanation concerning the reasons for this particular step being taken by the government.

Since there has been a ceiling of \$12 million, it would seem to me when that ceiling is being removed altogether in respect of one aspect of the total sum that can be made available, some explanation is needed from the minister concerning why this is being done and why it is necessary. I wonder, for instance, if there are proposed operations which may receive more than \$12 million in assistance which would not come into existence if there were not this type of assistance available.

With regard to the implementation of the program, there is the problem I have already dealt with concerning the matter of new designations being made now in conflict with the statement of the minister that there would be no more designations until the three year period expired in 1971. There are also problems of lack of consistency in the government's program. As well, I think we must be concerned about the fact that the government from time to time has provided assistance to firms which have engaged in unfair labour practices and which have paid low wages. This is a matter which I feel deserves consideration as well.

Another important problem concerns the fact that there is very little involvement or participation by the