

the federal government. The purpose of the bill now before parliament is to seek a five year extension of the act; no other changes are being proposed.

[Translation]

Mr. Speaker, I must say at the outset that I hope this bill will be passed quickly, since it will help to settle some practical matters that are relatively urgent. The existing act will expire on December 31, 1976, and although there is more than a year to go, the fact is that the applicants who have accepted offers must by then have reached the stage of business production in order to be entitled to payments. In the case of large projects, it often takes over a year before production can start. The expiry date of the existing act is already being felt and serious potential applicants have some misgivings.

Although most members of this House are quite familiar with the Regional Development Incentives Act and its administration, I should like to outline briefly a few highlights of this act.

The incentives provided by the legislation can take the form of grants, guaranteed loans or refundable grants aimed at promoting investments and creating employment in depressed areas. More specifically, they are designed to encourage companies to establish new plants and extend or modernize existing manufacturing or processing establishments. Their obvious purpose in the long run is evidently to succeed in reducing regional disparities and achieving stabler economic growth in the country.

● (1410)

[English]

I should report, Mr. Speaker, that as of last August, the latest period for which complete program statistics are available, the Regional Development Incentives Act had helped to stimulate some \$2.4 billion in capital investment in slow growth regions—investment expected to create about 122,000 direct new jobs. To this end, some \$507 million in grant offers have been accepted since the inception of the program.

As a result of a major policy review undertaken in 1973 by my predecessor, the Hon. Don Jamieson, certain changes were made in the regulations governing the administration of the act. On the whole, these changes were designed to improve the decision-making process on smaller cases and to establish an administrative framework consistent with the decentralized mode in which my department now operates. There is now good reason to believe that these changes have led to a more smoothly functioning program, one that works even more effectively in concert with other elements of DREE policy.

I want to say, in this regard, Mr. Speaker, that it is important to realize that the RDIA is an integral part of the government's total approach to regional development. As most members are aware, the key element of that approach is found in the general development agreements which have been signed with each of the provinces except Prince Edward Island, which is covered under a similar comprehensive development plan. These agreements carefully spell out a joint federal-provincial strategy for economic development in each region which is aimed at taking full advantage of the inherent economic potential of that particular region. In this context, RDIA serves to

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complement industrial development by encouraging general industrial development which supports that broad development strategy.

Mr. Speaker, using RDIA in conjunction with the general development agreements provides, I believe, an effective basis for improving economic and social conditions in Canada's slow growth regions. It is equally important that I stress there are no unique solutions to these problems, no conventional wisdom which serves as an all-purpose guide to economic development in every region. It is for this reason that I stress the paramount importance of the flexibility built into our policy approach, an approach which requires, above all, the creative development of the opportunities at hand in each region.

[Translation]

Mr. Speaker, I do not hesitate to state in this House that, through these amendments, this program is working more smoothly and is better integrated into the department's general policy. I have no doubt that members of the House will make every effort to adopt this legislation without delay so that the implementation of the regional development incentives program will not be interrupted.

[English]

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have listened with interest to the remarks of the minister, and we have no intention of prolonging the time this House will take to consider Bill C-74. We realize we will have the opportunity when it reaches the committee to consider this and other aspects of the DREE program. We understand, of course, that in the usual fashion the minister will be there taking part in the discussions.

I believe the minister is determined to maintain the high priority this government has put on DREE. Certainly, DREE's role is becoming a little more nebulous now and its priorities must be looked at in view of the fact that the whole economy is slipping and we are now in a period in which very shortly we shall be subject to a type of control and ground rules for business which have not previously existed and probably were never foreseen in 1969-70 when the DREE program was in its infancy. We have noted, and I believe it is fair to say that this is partly in response to suggestions we have made from this side of the House, that the minister has taken a more flexible approach. He has decentralized the department and changed the emphasis on growth centres. He has taken steps to avoid some of the worst abuses that DREE suffered in its earlier days, which were criticized severely by many academics and others.

I should like to think the minister will continue to search for new ways to make DREE a more effective and more beneficial program for the disadvantaged areas of the country. It is my hope that he will continue to explore all possibilities of co-ordinating DREE policy with transportation policy and needs, and I hope he will try to use DREE funds as much as possible to promote long-term, worthwhile projects. One of the most beneficial aspects of the DREE program has been that part which is directed toward the construction of infrastructures because there, at least, we get something for our money and the economic benefits are there to accrue in years to come.

There are a few problems which perhaps are not touched on specifically in the connotation of this bill. What hap-