

*National Location of Industry Council*

Of course, it is not as easy to decentralize industry as it may seem.

The responsibilities which this motion proposes to impart to board members could also be those of the economic development board which we discussed this afternoon. I do not think we can separate those matters at all.

We are discussing today Bill C-87, concerning the establishment of a national economic development board.

Well, I think that such a development board, together with the productivity council which has been in existence since last year, can undertake to consider those problems and bring about the necessary improvements.

I know, Mr. Speaker, that if we refer to the latest statistics concerning the employment situation, that is the December 15, 1962 report, we note that we have about 414,000 unemployed in Canada, 154,000 of whom are living in the province of Quebec, that is 37 per cent. The Saguenay area alone, Mr. Speaker, has about 15,000 unemployed at present, which is causing deep misgivings in our area.

The situation in the Saguenay area is the result of the fact that we have only two big industries, that of paper and that of aluminum, which are both affected by the situation prevailing on the international market.

Our area being somewhat remote from the larger centres, we find it difficult to attract industries which might hire the available labour.

Our region is rich in natural resources, namely hydraulic, mining and forest resources. It has tremendous possibilities.

We have waterways, very good roads and a railway, even though it is rather obsolete.

Of course, I am not the first one to rise in this house to ask for improved railway facilities between the larger centres and the Saguenay. This would surely make the Saguenay region more attractive to industrialists. But, in my opinion, as regards the motion now under discussion, one can see that the government could do its share so as to make an area even more attractive to industry.

I feel that the tax reductions which are being asked and suggested would prompt a company to set up in one place rather than in another. There is also the matter of accelerated depreciation for equipment.

There is another organization which should not be neglected. I refer to the industrial

development bank, which, at the present time, provides loans to assist in the development of industry.

That bank could do much more than it is doing now. The government would have no great difficulty in finding borrowers who could go into those depressed areas to build plants, something which at the same time could improve the general situation.

But, at the present time, the industrial development bank is subject to exceedingly strict regulations.

Having met several industrialists in my area, I know it is not too easy to get help from that organization. The bank, whose loans bear a rather high rate of interest, requires guarantees to such an extent that an industrialist who is not already well established finds it practically impossible to obtain the funds needed for the development of his enterprise.

It is obvious that if the regulations of the industrial development bank were more flexible, more adapted to circumstances, many manufacturers in the various regions of the country could find there the source of capital their industries need, and thus help increase the local production and curtail unemployment.

The government would profit greatly by an improved situation, in view of the constant drain on its unemployment insurance and assistance funds.

I am sure that a reduction of the rate of the industrial development bank as well as a greater flexibility of its regulations, would be advantageous, because even if it would mean possible losses for the organization, these losses would be fully made up by the savings on disbursements for unemployment insurance or assistance or for any other project.

At all events, Mr. Speaker, I think that those projects would improve the situation. But that would surely take some time.

We are informed by the press that the Saguenay region and the Hamilton region which I think is represented by the Minister of Labour, were declared heavy manpower surplus areas during the month of December.

People wonder what this government can do and intends to do. As immediate measures, public works which the government can proceed with represent the only means to improve the situation, and that, as a palliative since they are temporary devices.

Several projects were suggested to the government by various hon. members in this