

*Regional Development Incentives Act*

pleased that the Prime Minister (Mr. Trudeau) should have made this one of the important issues he decided to stress in his election campaign. I refer to the overcoming of regional economic disparities. We supported the government in the establishment of the new department and from the outset we have supported the bill before the house.

The legislation has two important features which constitute improvements on existing statutes intended to deal with regional poverty. First, broad discretionary power is given to the minister. We think this is excellent; it is something which should have been done in earlier measures. It will enable the minister to see to it that firms which do not need special economic benefits do not get them. Second, there is the emphasis placed on the concept of growth centres as the criteria to be used when providing economic assistance. This is something for which the N.D.P. has been arguing for years and we welcome the improvement of this principle as part of the bill.

There is one thing which has been said in the house by the spokesmen for our party and for the Conservative party as well. It is that no significant amount of money has been allocated by the government in its budget to deal with regional poverty. This is a crucial aspect of any meaningful action in this direction. No matter how good the bill is, or how sound it is in general principle, if we do not allocate important amounts of money to be spent on this program there is no real chance of a meaningful start being made next year. I shall not dwell on this argument because it has been made already, as I mentioned.

In addition, we have attempted to do three things by way of amendment at the various stages of the bill. First, we have argued that the notion of a growth centre being restricted to a manufacturing centre is really outdated. We, and members of the Conservative party, have voted on an amendment which would have extended the concepts to include, for example, the service industry and the tourist industry. In our view it is not at all sensible to exclude from the provisions of a bill which is intended to provide a framework for a comprehensive plan for a variety of regions, provision for the financing of the service industry and the tourist industry. Both are important aspects of a modern economy especially as they affect certain regions of Canada.

Second, our party entered an amendment which would have prevented funds going to

firms owned or controlled outside this country. We argued that foreign ownership has already gone as far as it should go in this country—to understate the case by about 100 per cent—and that we should not provide public funds to subsidize further takeovers of our economy. I shall not repeat the arguments which I, the leader of my party and the hon. member for York South (Mr. Lewis) have made on this point. I refer members of the government to their own Watkins report and to the speeches made by former cabinet ministers in their own administration. This question is one which is of basic significance to Canada and it is a shame that a bill which has a noble intent, that of reducing poverty in certain areas of Canada, should contain a built-in provision whose effect would be to encourage the further ownership of our economy by those living outside our nation.

The third amendment put forward by this party and voted down by the house would have made specific the importance of Crown corporations in the government's efforts to deal with regional poverty. This is a deliberate and serious part of the approach of the New Democratic party both to the question of regional poverty and to that of foreign ownership. It seems to us there are all kinds of examples in Canadian history and in the history of western European nations, as well as of developing nations, of public corporations being used to stimulate growth and economic expansion. The argument put forward by the leader of the Official Opposition (Mr. Stanfield) and by the minister stressed that to exclude foreign owned or controlled firms from the benefit of the legislation would, in effect, be to say that such firms should locate in the already industrially prosperous parts of this country.

Our response to that argument is: yes, it is a probability, but we should provide national leadership on this question by setting up Crown corporations to fill the necessary role when we cannot get enough Canadian capital to move into parts of the country where it is needed. To me, it seems incredible that at a time when other countries of the world, most of them much poorer than Canada, are exercising strict safeguards against the foreign ownership of their economy, we in Canada should go merrily on our way quite unconcerned about this threat. This is not just a negative argument calling for the exclusion of foreign capital. We should certainly encourage foreign investments but this investment should be in the form of arrangements whereby Canadian private or public capital would