

on a number of occasions. Therefore, I commend this motion to the house and I hope it receive support from all parties.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, first I want to express my gratitude to the hon. member for Egmont (Mr. MacDonald) for moving an amendment on behalf of the Progressive Conservative party to include tourist and service operations under the Regional Development Incentives Act. No matter how hard we try, we cannot seem to get the government to recognize the importance of the tourist and service industries to the Canadian economy. The Small Businesses Loans Act has been allowed to wither away, partly, I believe, because it was Progressive Conservative legislation, partly because of the rapid increase in interest rates which makes the banks unwilling to lend under that act, and partly as a result of apparent indifference. The effort of a few years ago to give assistance to the tourist industry has not been continued.

The other source of assistance to which the tourist and service industries were looking was from the Industrial Development Bank. Here again the former Progressive Conservative government extended loans under the Industrial Development Bank to the tourist and service industries. The I.D.B. is still giving loans to tourist operators under this act, for which I am sure we are all grateful.

May I point out to the Minister that under the Industrial Development Bank Act the tourist industry is recognized as an industry, as are service industries, and it is very difficult to understand why, when it is recognized under that act, a different interpretation is put on the word "industry" in the present bill, in which the minister is ostensibly trying to increase the economic viability of different parts of the country. Many of the regions that particularly need help are best suited to the tourist and service industries. Many of them are in more remote areas where in some cases industry hesitates to go because of the distances for transportation, a shortage of trained manpower, and so forth. But in these areas the tourist industry could very well act as a real boon to the local economy. It seems that the tourist and service industries would carry out the real intent of the act if they were included. However, although the Industrial Development Bank makes loans it does not give any grants to those people who are involved in the service industry. Also, we find that the I.D.B. is so concerned about getting its money back and about making

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money that it even demands a prepayment premium on funds which are repaid earlier than the mortgage calls for. I think this is a terrible travesty on the intent of government assistance.

I have recently had to draw the attention of the Minister of Finance (Mr. Benson) to a case where the I.D.B. forced a company to sell a major part of its capital assets in order to make a payment on its loan, and after the capital assets had been sold, the I.D.B. required a payment of over \$1,000 as a penalty. This again seems to be a terrible travesty on any government intention to assist an industry. They are certainly not assisting when they are demanding a premium on repayment of their money.

● (4:10 p.m.)

I have wandered a little far afield simply to point out to the minister that the tourist industry has not had sufficient government assistance over the years despite it being an essential part of the Canadian economy. I am not going to repeat today the many speeches I have made on the importance of the tourist industry and allied service industries to the Canadian economy. In the first place, the tourist industry is a major producer of foreign funds: it brings money into Canada and that money stays. The tourist industry provides a vast source of employment for Canadians and has a major economic influence on any community where two or three major tourist establishments are located. It is as much of a boon to the area as would be the establishment of another kind of industry.

So far as employment is concerned, I should like to point out to the minister that with advancing technology and automation manpower requirements for the operation of large industrial plants are diminishing. I was present when an announcement was made not long ago of a large industrial plant which was to be constructed at a cost of \$23 million to specifications that met the latest technological advances. Yet the plant was going to employ only 90 people. This number might well be employed by tourist operators in a community on a financial base of half a million dollars. Such an operation has not only direct payroll benefits but also indirectly benefits the local community by increasing economic activity in the area and requiring the support of many local services. The tourist industry is also largely Canadian owned and operated, in contrast to many industrial enterprises.

I could go on and on on this subject but I will not do so. I do not want in any way to