

established in the designated areas of Canada. In this case, the industry happens to be a hotel. We are striving to get new businesses into these areas so that they will provide more jobs. It is basic that when people apply for grants or, in this case, a guaranteed loan, they do so because they want to do business with the government. They have to file very detailed information as to their long-term projections and show what their assets and liabilities are. If this information is to be made public, those companies will not bother applying. For every one application that is granted, many, many are never granted. If we want these companies to apply for this assistance, I suggest they have every right to be dealt with confidentially.

In this connection I wish to quote from page 5 of the March issue of "Report on Regional Development Incentives":

In conclusion, it should be noted that applications for incentive assistance and supporting documentation contain a large amount of information that must be regarded as commercially confidential. It is for this reason that, as a matter of policy, the Department is unable to make public certain types of data. It is for the same reason that the Department does not reveal the fact that a particular application has been received unless and until it results in an accepted offer of incentive assistance. This policy is, of course, consistent with the aims and objectives of the program, which is designed to encourage investment in the designated regions and special areas of Canada.

Many of the things to which the hon. member referred were discussed in great detail by the Regional Development Committee yesterday when it visited Sudbury, at which time various groups from all over northeastern Ontario were heard. One area in which we should be doing more is that of loan guarantees and assistance of various types to those engaged in the tourist industry. Northeastern Ontario, like many other areas of Canada that have been designated, has tremendous tourist potential. Under the federal regional economic expansion program, not much assistance is granted to those engaged in the tourist industry. The loan guarantee is one part of the regional economic expansion program which applies directly to the tourist industry.

● (1720)

When this matter was before the House two or three years ago, it was pointed out that the main reason for establishing the loan guarantee was that often the resort operator had only 20 per cent of the capital required. If he were establishing a manufacturing or processing plant, he would perhaps receive a grant from the federal government of another 15 per cent to 20 per cent of the capital required. However, in a slow growth area, it was often difficult to raise the additional capital needed to finance the project. Therefore, the loan guarantee was introduced so that the entrepreneur would be able to go to the bank or some other lending institution to borrow the money and the government would guarantee the loan. There has not been a large number of loan guarantees approved. Perhaps there is a need to improve this program because it is not being utilized nearly as much as the Regional Development Incentives Act.

The hon. member also mentioned the hotel type of operation which received assistance through the Industrial Development Bank. I was pleased to note that, according to the Speech from the Throne, the Minister of Finance

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(Mr. Turner) will be introducing amendments to the Industrial Development Bank Act later this session to make it more flexible. The bank has made a lot of progress in securing new business.

Some of the witnesses who appeared before the Standing Committee on Regional Development in Sudbury yesterday indicated that they were much more aggressive and were doing a better job of getting new business. This does not deny the fact that the interest rates continue to be high. Although the interest rates are higher than those charged on loans from the Northern Ontario Development Corporation, there is still a great deal of money made available to the tourist industry and hotel chains through the Industrial Development Bank.

Another agency in which the federal government is involved is ARDA. It does not make loans directly to those engaged in the tourist industry, but does make grants to communities for the development of tourist facilities. I understand the smallest loan on which a guarantee is given is \$250,000. This seems rather high. Perhaps if it were lower, more businesses could take advantage of it.

When speaking on this subject some time ago, the hon. member for Compton (Mr. Latulippe) argued that such loan guarantees should be available to the operators of smaller hotels. All hon. members are aware of inflation and increased costs. Possibly you could not build much of a hotel for \$250,000, but this limit still seems high. The hon. member for Compton also suggested that the assistance should only be available to Canadian owners of hotels. Of the two examples cited, I understand that one hotel is owned by a company in Quebec and the other in Winnipeg is Canadian owned as well.

I wish to refer to the criteria upon which the government bases a decision to produce papers because it gives a guide to the type of information which is available to Members of Parliament. This document was appended to *Hansard* for March 15. The general principle set out in the document is as follows:

To enable Members of Parliament to secure factual information about the operations of government to carry out their parliamentary duties and to make public as much factual information as possible consistent with effective administration, the protection of the security of the state, rights to privacy and other such matters, government papers, documents and consultant reports should be produced on Notice of Motion for the Production of Papers unless falling within the categories outlined below in which case an exemption is to be claimed from production.

Exemptions

The following criteria are to be applied in determining if government papers or documents should be exempt from production:

1. Legal opinions or advice provided for the use of the government.

This should be self-evident. Sometimes a government gets more than one legal opinion. To reveal this information ahead of time, especially if the government were involved in a litigation with a company or individual, would certainly prejudice the position of the government. The second criterion reads:

Papers, the release of which would be detrimental to the security of the State.

This obviously refers to matters of national security, such as police information, RCMP information and so on. The third criterion is as follows: