

human and commonsense application points up the failure of the government to comprehend the objectives of an incentives policy. I have said many times in this House and in my province that the establishment of the Department of Regional Economic Expansion was the most important step taken by this government in many years. I had faith in this department because it appeared that the power it had to inject funds into provinces with areas of regional disparity was just what was needed to create job opportunities. More particularly, it was just what was needed to aid the over-all development of the Atlantic regions, specifically the Province of Newfoundland.

Last year, through the co-operation of the regional development committee on request of the Newfoundland members, the members of the committee were able to visit some areas of the province to see the needs at firsthand. Every member on the committee, including those from the other side of the House, agreed that the trip was worthwhile and indicated to the minister responsible their support for development assistance. In my district alone, some 15 briefs were presented because the people hoped the briefs would be considered, that there would be further consultation and that results would be forthcoming. Here, a year later, the many local development organizations and the town and community councils are still in the dark concerning whether or not their ideas and plans will be taken into consideration. I encouraged these organizations to become involved and to submit their ideas and plans for development. I told them to have faith in the department because I had faith in it. But I can tell you now, Mr. Speaker, I am disillusioned just as I know these citizens who want to help the government are disillusioned because the department does not care about the people it should be helping. The words flow easily from the experts, Mr. Speaker—"equality of opportunity"; we want you to become involved"; "we want you to participate"—but they are empty words, because after being in existence for two years the results from this department are negligible.

The only way in which I can see the past mistakes being overcome is by the provision of flexibility. More attention must be paid to the natural resources of the region and a co-operative plan must be thought out, with the participation of the people at the grass roots level, to develop these resources. Such action must be encouraged through grants. The advisory board concept might be the answer, because under the original plan the Atlantic Development Board was much closer to the basic needs of a particular region and produced good results by instilling impetus into the development. I also feel that development incentives should be broadened to include the service industry, small businesses in the retail and wholesale area, and tourism, especially in the Atlantic regions. More scope should be given to the marketing potential of our fishing, agricultural and forest products in the Province of Newfoundland. Each region should be looked at separately with a view to the development of its potential. More infrastructural support must be given to the areas which can be developed through an orderly and commonsense buildup so that they can attain the

*Regional Development Incentives Act*

objectives of both creating employment opportunity for the people in the immediate area and, just as important, improving the living, educational and recreational aspects of their everyday life.

As my colleague the hon. member for St. John's East (Mr. McGrath) stated yesterday, the members of the regional development committee will closely scrutinize the proposed amendments in Bill C-205. Probably during that phase of the exercise we may be able to impress on the minister and the officials of his department the important factors connected with the granting of regional development incentives which heretofore have been overlooked as a result of the mechanical process adopted. I still have some faith in the regional development plan and hope we can overcome the shroud of secrecy which exists between those who are responsible for its implementation and those to whom it is directed. Probably with a meeting of intelligent minds we can come up with a plan which will be to the advantage of the too many unemployed of Canada.

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, we are now amending the Regional Development Incentives Act which was passed in 1968-69. This really is a concept which has been with us for a considerable period of time, dating back to the old area development incentives legislation. This is one of the ways in which I think most Members of Parliament believe slow growth, underdeveloped, distressed and high-unemployment areas can be assisted. For this reason, there is considerable interest in this legislation. I think, however, that even the minister would agree that in relation to what has been done, what could be done or what was anticipated would be done, much is left to be desired. I have always been concerned about the fact that the government seems to believe that by holding out a carrot everything will be well. This has been done in many fields. We find that there are periods of high employment and periods of low employment, and when there is a period of low employment or high unemployment the government comes up with instant solutions which really do not turn out to be instant solutions and which in many cases are very costly.

• (12:20 p.m.)

At the time the original Act was before us, when a similar type of incentive was applied for a period of time, a number of concepts were discussed which I think will have to be reconsidered. For this reason, I do not believe this bill will do very much to improve some of the basic concepts.

It has been mentioned that one of the problems we are facing in Canada is that, in the main, we operate branch plants of U.S. companies. There has probably never been a country—whether it be a colony in various states of development or an independent nation—in which a foreign power has exercised so much economic control as is the case in Canada. In some of the industries foreign control is almost 100 per cent, and only in a few industries is the control of the Canadian government evident. I think that this, in itself, raises a major consid-