

*Proceedings on Adjournment Motion*

requests is that no program for the recruitment of foreign miners can be considered.

**Mr. Orlikow:** What kind of answer is that?

**Mr. Knowles (Winnipeg North Centre):** Was that an answer to the question?

**Mr. Danson:** It was an excellent answer.

**Mr. Knowles (Winnipeg North Centre):** You and your dress suit!

REGIONAL ECONOMIC EXPANSION—GRANT TO UNION CARBIDE, BEAUHARNOIS—LOSS OF JOBS AT WELLAND

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, I hope the Parliamentary Secretary to the Prime Minister (Mr. Danson) does not read the same answer that he read in reply to the previous question when replying to the point I am about to raise.

**Mr. Knowles (Winnipeg North Centre):** It would be just as relevant.

**Mr. Broadbent:** Two years ago, during this period, I was on my feet objecting to the fact that the government had given Duplate Canada, Limited, three quarters of a million dollars to move part of its operation from Oshawa to Hawkesbury. All that did was to move employment from one part of Ontario to another at public expense. The excuse given at that time by the minister responsible was that the legislation did not allow for discretionary authority, that certain formal requirements had been met and that the grant had to be made. Apparently Duplate Canada, Limited had met the formal set of criteria and therefore had been given this money from the taxpayers.

That answer was not entirely acceptable even at that time but was, within limits at least, a plausible kind of argument. We were assured, when the legislation was subsequently amended to give the minister discretionary authority in matters involving regional grants, that such foolish use of public funds would not be repeated. The members of my party and I specifically supported the change in the legislation that would give the minister discretionary authority. I did so at that time with the provision, if you like, that I would look with particular interest at future grants made by the Department of Regional Economic Expansion. It seems that the bad habits are repeating themselves. A week ago Aerovox Canada Limited was given a \$235,000 grant to move part of its operation, and therefore its jobs, from the city of Hamilton, Ontario, to Amherst, Nova Scotia.

• (10:20 p.m.)

This wonderful act was not to be let alone. It was followed by the announcement about a week later, by the same department, that the Union Carbide Company of Canada was going to be given approximately \$1.3 million to move from Welland, Ontario, to Beauharnois, Quebec, thus taking 70 jobs from the province of Ontario—shuffling unemployment around within the country.

It seems to me that the issue is very clear, Mr. Speaker. At the very best the minister is not making wise decisions. He is not spending public funds as they were intended to

[Mr. Danson.]

be spent in terms of regional development in the country. He is simply creating unemployment, in this case in the province of Ontario, by providing jobs elsewhere. This, of course, is unjust and unfair to the workers directly involved in this province and raises the important question about the future of the regional development program in general.

The program has always been dependent on the strength and viability of the economy of Ontario. Throughout, not only this government's regional development plans but those of preceding governments have relied on income transfer payments generated by the economy of this province being shifted to those areas of Canada less well off. I think this is a highly desirable process. But if this government continues to make grants to companies simply to move from the province of Ontario to other parts of Canada, not only will we be doing an injustice to the workers directly involved in this province but we will be building up general opposition in Ontario to the whole idea of regional development.

It is one thing to appeal to a worker in this province on the basis of some commitment to principle, to equity, to the idea that we must use funds to encourage development outside the province, but it becomes quite unacceptable to the same worker when it is evident that the funds are being used not simply to create jobs elsewhere in the country but to take his job out of his province. If the government keeps this up it will be undermining the acceptance of the program in Ontario.

**Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion):** Mr. Speaker, unfortunately the eloquence of the hon. member is not supported by the facts of the situation. I made inquiries this afternoon and understand that the company will make a statement tomorrow. Without wishing to prejudge, I think there are certain relevant facts which should be brought to the attention of the House. The first is that the number of people affected by the action is not 350, but 70.

**Mr. Broadbent:** I just said 70.

**Mr. Roberts:** In the House earlier the hon. member referred to 350 workers. That is true on the metals side of the operation of the industry. There is the expectation that 70 people will be affected. By late 1972 the graphite and carbon section of the operation will be sufficiently active to employ a significant number of the 70. Second, the fact is that the furnaces in operation in this project are all of pre-World War I vintage. They are obsolescent and do not meet the pollution standards of Ontario. The result is that three of them must be discontinued almost immediately, and the other four by the end of 1973.

The company is therefore faced with a decision as to where its new capacity should be located. Unfortunately, in relation to Welland there are certain drawbacks, partly the cost of electricity, partly the cost of transportation. The real question is not whether the capacity is to be created at Welland but whether this capacity is to be retained in Canada at all. Because of the low cost of extracting and processing the ore in South Africa there is a real danger that this operation might not continue in Canada for long.