

*Regional Development Incentives Act*

Canada's 200th birthday. I suggest, however, that this is a bad bill, for a number of reasons. First, the bill will create an administrative monstrosity: we will have five different types of designated areas in the country.

I think we should re-read some of the comments the minister made a year or two ago. At that time he spoke of trying to keep the regional development program and designated areas confined to certain sections of the country. He wanted to keep the program selective. He said that if it became too large, the program would negate itself. It seems to me that with the additional areas over 50 per cent of the country will be designated. This negates the government's earlier intentions and the philosophy it had when it introduced the idea of creating a new department to solve regional disparity in this country.

I am also concerned about the way in which grants are being handed out to private companies. The minister is handing out subsidies and grants to private companies as if they were going out of style. At times this is done without even considering the long-term effects and the commitments the companies may have in a particular region. From my knowledge of regional programs in other countries it would seem that when they have tried to solve problems of regional disparity the public has assumed greater responsibility, greater involvement and greater commitment. They have not tried to rely upon big companies and corporations to solve regional problems for them with public money.

Why do we have these problems of disparity and low incomes in some areas? I suggest much of the reason is that in the past we have relied entirely upon the corporate world and free enterprise to solve our problems, and as a result people in many regions of this country, not because of lack of training or skill but by reason of where they live have suffered from inequity and disparity. A company, naturally, will locate in an area where markets are close by, where transportation is convenient and cheap and where there are raw materials and resources. I suggest that if we are to properly plan our economy and eliminate much of the regional disparity and inequity which exists, the public sector must have a greater involvement than it has today; otherwise, as soon as the minister hands out grants and subsidies, many of these companies will wonder why they should remain in the area any longer.

Instead of continuing in this vicious circle, why do we not introduce to the House and the country a Canada Development Corporation? For five or six years the Liberal party has spoken of a Canada Development Corporation; it has been included in almost every Throne Speech since then. When he appeared before the committee, the minister suggested this might be one way to solve the problem of economic disparity in Canada. I believe the minister would be in favour of having a Canada Development Corporation. With his power and influence over the Prime Minister (Mr. Trudeau), which I assume must be great, I wonder why he does not try to motivate the Prime Minister toward instituting a Canada Development Corporation so that we could have a large amount of

capital on hand which could be directed to areas which need it. In this way the long-term planning would be better than it is today.

It appeared to me and to witnesses who were called before the Standing Committee on Regional Development in the past few days that the government is using regional programs to fight what essentially is a cyclical problem. The government is trying to solve many of Canada's problems with regional programs instead of with general economic reform and responsibility. I believe that in order to be successful, a regional development program must be very selective. I do not see the sense in designating a city such as Montreal and having it placed in the same category as the Atlantic provinces except for the extra 10 per cent granted to the Atlantic provinces. I do not think this will help develop the Atlantic provinces or eastern Quebec. I am sure a company would settle in Montreal in preference to the Atlantic provinces, despite the extra 10 per cent. If we are to solve the problems of places such as Montreal we must endeavour to correct the general economic picture in Canada.

I am also disturbed about the statements the minister has made. Earlier today, my colleague the hon. member for Regina East (Mr. Burton) read to the House a statement made by the Minister of Finance of the province of Quebec who was concerned about some of the statements the Minister of Regional Economic Expansion (Mr. Marchand) has made about the economic state of the province of Quebec. Matters such as these are of concern to me.

● (8:20 p.m.)

For such reasons as these, I would once again plead with the minister, without going on at great length, to re-analyse and re-think this whole policy for solving regional disparities in Canada, to be less sensitive to some political pressures that may be on him to include certain regions and exclude others. I suggest to the minister that he follow the philosophy which he outlined a year or so ago when he talked about designating only certain areas, trying to build up the infrastructure, to use the growth centre idea. I appeal to the minister not to get carried away by providing huge grants to certain companies to locate in certain areas. We find today that, as a result of these amendments, a company can now, by combining both a grant and a loan guarantee, get up to 80 per cent of the total cost of locating in some areas of this country. As one hon. member said, this is too much. As a matter of fact, about a year and a half ago the minister himself was saying that if we are going to give subsidies or grants of 40 per cent or higher, we might as well be running the industry ourselves. Why not? If the Canadian people are going to take risk to that extent and invest that much money, why can we not have share in the operation and then have the chance of reaping some of the long term benefits that a company like this would provide?

I will conclude by saying that I am very concerned about the regional development plan. There are five different types of designated areas. To me, this seems like a real monstrosity. It is growing in a very unplanned way.

[Mr. Nystrom.]