

Regional Development Incentives Act

● (1410)

I have been encouraging the establishment of a program in two rural areas of Algoma-Manitoulin. I am referring to the local economic development assistance program of the Department of Employment and Immigration. That department will be providing funding for some 18 local projects across the country. It will set up local economic development corporations to provide funding for administration assistance for researching, new industries locating in the area and new economic opportunities. Also it will provide funding for equity investment and loans of assistance as an incentive to industries wanting to locate in slow-growth areas.

Some experimental projects have been very successful in the United States in such areas as Kentucky and others with slow-growth problems such as those faced in northern Ontario. It will be interesting to see how successful this approach will be during the next few years. Certainly the Minister of Regional Economic Expansion (Mr. De Bané) favours local involvement and initiative in creating, developing and exploiting local economic opportunities.

Earlier this morning I mentioned the importance of policy decisions in ensuring that we direct to slow-growth areas industries which have a natural affinity or advantage in locating in what are often resource areas. It is important to clear the way through the DREE program, which has been done in many areas, by providing assistance in infrastructure. I am thinking of a number of communities in eastern Canada and northern Ontario where assistance has been provided for major sewage and water treatment facilities or industrial parks where local communities had an opportunity to move ahead with economic development but did not have the wherewithal to do it.

Surely Sault Ste. Marie, at this juncture in its development, has reached the total capacity that existing sewer and water treatment facilities can accommodate. The community does not have the financial wherewithal to expand those, so there must be assistance from the federal and provincial governments. It seems to me the natural way to do that is through a federal-provincial subsidiary agreement under DREE. That will make it possible for the community to expand in terms of new industry and residential accommodation.

In that case the preliminary estimates show a cost of something like \$26 million for the required facilities. The proposal has been before the federal and provincial governments for the past year or almost that long. The proposal is that some \$18 million would be shared equally between the two senior levels of government and some \$7 million would be contributed by the city. If we want to see industrial activity taking place there, we must assist in providing the infrastructure for massive facilities in order to have facilities not only for industries to utilize but also the residential part of the community, let alone the need for industrial parks which often is essential if new industry is to be attracted to a community of that type. The community has a natural advantage in that many people want to live there. It is the right size of city. It

has many recreational and other aspects which people are looking for today, but it requires assistance for infrastructure.

I want to indicate my support for this bill. I am sympathetic to the need to amend the bill in a more substantial way to make it more flexible in the future, as other members have mentioned.

The parliamentary secretary, speaking on behalf of the minister, mentioned the review which is taking place and the plan to put more extensive legislation before this House later this year or early next year. I hope we will have that flexibility because sometimes industries want to locate in slow-growth areas and the present act does not have the flexibility to provide assistance in that regard. I like the concept of a previous bill relating to tax incentives for industries to locate in slow-growth areas. Unfortunately that tax bill the former government had before the House did not apply to northern Ontario. It was recommended by the present minister for DREE to the then minister responsible for regional economic expansion in the standing committee last fall. If a bill of that nature is brought before the House again, certainly I hope it will provide that incentive for industries in northern Ontario.

I indicate my support of this bill to extend the Regional Development Incentives Act. Surely a program which has created some 12,000 new jobs in northern Ontario, resulting in some \$468 million of investment to that part of the country, is very important and deserves our support.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, this afternoon we are debating Bill C-35 to amend the Regional Development Incentives Act. I received a copy of the speaking notes of the parliamentary secretary to the minister responsible for DREE. He said that the minister will be speaking later on this afternoon. There are a number of questions I want to pose to the minister to clear up a lot of the confusion he and the Minister of Employment and Immigration (Mr. Axworthy) have caused by their statements about DREE funds now being available for rail relocation in Winnipeg. This is a totally new concept. There have been a number of conflicting statements as to how and when they will be able to obtain this funding. I hope the minister will clear up that matter when he speaks on this bill.

The Ministry of Transport indicated that it will have no funds for rail relocation other than the UTAP funds provided to each province. When the right hon. Leader of the Opposition (Mr. Clark) questioned the President of the Treasury Board (Mr. Johnston) last May regarding funding for rail relocation in Winnipeg, the President of the Treasury Board made it perfectly clear that he would be providing no funding whatsoever for rail relocation and that the moneys would have to come from some other minister's envelope. If the city of Winnipeg conducts a study on rail relocation and rehabilitation in the downtown area of that city and applies for DREE funds, what guarantee will they receive from the government as to which minister will provide funds out of his envelope? Will he have \$10 million or \$15 million in his envelope to hand out to the city of Winnipeg? That is a totally new concept, and we are entitled to some kind of explanation.