

*Proceedings on Adjournment Motion*

ly that this is a matter of great personal sorrow as our people have always respected Denmark and the Danish people.

In spite of the fact the government's position is not one of imposing a sanction or boycott, there is nothing to prevent the people of Canada doing what they have done in other cases to show their disfavour with other countries or products from other countries, using their own judgment and following their own conscience with regard to purchasing goods from a country whose views they do not uphold or whose posture they do not support on a specific issue such as this.

I can only repeat that the government has made the very strongest representations, perhaps the strongest ever made on a matter of this kind. However, it is not the government's policy to impose sanctions on such an issue. The representations will be pursued and pursued vigorously.

REGIONAL ECONOMIC EXPANSION—POSITION OF  
DISCUSSIONS WITH PROVINCES ON PROGRAMS

**Mr. John Burton (Regina East):** Mr. Speaker, on April 17 I asked the Minister of Regional Economic Expansion (Mr. Marchand) the following question:

Can the hon. gentleman tell us what stage discussions have reached with the provinces, particularly concerning the department's programs and designated regions and special areas beyond the 1972 expiry date?

The minister replied:

We are still in consultation and negotiation with the provinces.

I then asked the further question:

Can the minister tell us whether his department has proposed that the present boundaries and scope of the programs remain as they are, or has he proposed some changes to existing programs?

I must have caught the minister at a loss for words. All he could do was reply with a smart answer. He said:

We are in negotiation with the provinces, not with the hon. member.

I was not aware there had been any doubt about with whom negotiations were being carried on. The reason for my question is my concern about the future of some of the regional development projects and programs in light of the experience over the past year and the fact that some of the programs are due for renewal, revision or expiry within the next month and a half. Now is the time to look at these programs, to learn from experience and figure out the best route to follow and the best policy to adopt in the future.

Basically, there are three areas of concern. One is to analyse the effectiveness of programs to date. Second is to consider future emphasis and priority and programs, and third is to consider the regions that benefit from the programs undertaken. First of all, on the effectiveness of the programs I think our concern rests in particular with the operation of the Regional Development Incentives Act. Two hundred and thirty-three million dollars was committed under this program to the end of March, largely to private industry.

• (2230)

I think one of the basic criticisms of this program is that the government simply fills a passive role. In other words, it simply responds to initiatives taken by private enterprise, taken by others, rather than taking initiatives or leadership itself. In effect, there is no real plan in operation in terms of promoting industrial development, in terms of promoting an over-all development plan.

I think the question that must be asked is, in many cases would these plants have been built anyway? Under the program that preceded RDIA I think it was concluded that many of these plants would have been built even without this assistance, and it has been suggested by many reputable authorities, including one person before the standing committee today, that this is certainly a suspicion and a conjecture with respect to the present situation.

I think another question that should be asked is, could these funds be better used for other priorities, for other programs? I think, as well, we must ask ourselves the question, are we in fact building a high-cost structure into our industrial system? I think we must also ask what progress is being made, or has been made in eliminating regional disparity. The current program has been in effect for only three years. We certainly did not expect miracles to be worked during that time and we did not expect regional disparities to be eliminated. But we did expect to see a greater measure of progress than has been evident to the present time.

In considering future emphasis and priority I think we must look at our infrastructure program. We must place more emphasis on infrastructure programs to develop municipal facilities, community facilities, the types of facilities that are needed by all the people in a community and that in fact reduce the cost of producing goods and services and the cost of living for people living in areas which are disadvantaged.

At the present time the department has special regions in 22 communities of the country. I think this program could very well be extended and that more emphasis is needed in this area. I think, as well, we need to make the Canada Development Corporation the major instrument for carrying out development policy in regions. But it needs to be a different kind of Canada Development Corporation. We need a Crown corporation that is free to act in a variety of ways and is established to benefit the working people of Canada, rather than make profits in particular ventures.

We also have to consider the regions which benefit from these programs. This, of course, involves the designated areas which are now being reviewed. At the present time over one half of the country is in designated areas. There are rumours to the effect that the government is simply going to continue the present boundaries. What sort of imagination is this? It demonstrates an attitude of "I'm all right, Jack; everything's okay." Hasn't the department learned anything during the past years? Are they going to retain the present boundaries? What sort of a rationale is there for retaining the present boundaries?

In my own province of Saskatchewan there certainly is no rationale. I can give a good example involving my