

*The Address—Mr. Peters*

Vancouver Island. This is a vast area which in my opinion must be given consideration.

We have watched with interest the Area Development Agency and the Regional Development Incentive Agency which have tried to solve these problems. It was clear at the conference I attended in northern Ontario that governments will not solve these problems simply by making grants. Governments will have to do much more than that. In attendance at that conference were leaders from every municipality, from a great number of companies and from a substantial part of the mining industry. These people represented almost every interested group in Northern Ontario.

There was no suggestion that the federal or provincial government was not making money available for worth-while projects. The difficulty is that we do not know what is worth-while and we do not have people who know. I should like to make a suggestion. Today the hon. member for Timmins (Mr. Roy) pointed out that the people in Timmins are very happy because they are now going to have a concentrator plant. We are going to spend \$6,500,000 in this regard. I am sure they will be happy, but only 20 or 30 people will be employed. We are spending \$6,500,000 to create employment for 20 or 30 people. Surely this is of only slight importance in view of the number of people who must be kept happy.

I should like to see the government carry out some research, as it should have done in Nova Scotia before it put in the heavy water plant. If we put in a copper rolling-mill at Kirkland Lake, it would be a huge success. We are drawing copper out of the Kidd Mine at Timmins, out of the McIntyre set-up and out of Texas Gulf. We are going down to Swastika to meet the train from Noranda. Noranda is rolling its copper in the city of Toronto. Surely there is no justification for keeping the rolling-mill in the city of Toronto.

A rolling-mill is a huge project which employs mainly hard-working people. This is not a highly technical operation but it is a source of great employment. Some consideration should be given to building government-sponsored plants of this kind. I should like to see several government sponsored plants built. Let me hasten to satisfy those who believe in free enterprise. I do not care whether the government runs these plants or not; I would be happy to let anyone run them who thought he could make a success of

[Mr. Peters.]

them. The government should decide what projects to sponsor in certain areas after looking at the area generally, rather than one town or community in isolation just because an industrial relations officer suggests there should be a plant there. Surely this is not an unrealistic idea.

The other day a sessional paper was tabled which indicated that only one plant has been established since the Regional Development Incentives Agency was created last August or June, I believe. The regulations were passed by order in council on August 6. Since October 20 there have been 131 applications. One has been rejected, and offers have been made in 13 cases. In only one case was the offer accepted.

In my opinion this raises a problem in respect of how much money one should put into this kind of operation. The company concerned was McCain Foods. Many of us had the opportunity of visiting that plant with the Agricultural Committee. It is a very modern and efficient operation. It produces potato chips and other frozen foods. It is so advanced and efficient that a computer is used to run the frozen food operation. This company is building a new plant which will cost \$4,100,000. We are going to put up about 25 per cent of the approved capital cost, plus another \$5,000 for each job increase. We are providing for 380 jobs at a cost of \$5,000 each. In other words, we are going to put up about \$2,800,000 out of a total company expenditure of \$4,100,000. We will be paying about 70 per cent of the cost, but we will be providing 380 jobs. This is the kind of criteria most of us are interested in using.

In all fairness to the Development Incentives Agency I should point out that when I asked why this money was being provided to a company that was apparently in a position to handle its own development, it was pointed out that it was easier to provide jobs by creating this incentive because without it the company would move into the United States where the products would be sold exclusively in that country.

One of the things we must consider this session is the development of government plants in areas where slow growth is a chronic problem. We must use the expertise of the Department of Industry and other departments in assessing the feasibility of developing plants in various areas. If no one is available to take over these operations, the government will have to get into the field. I hope such a program can be undertaken this