

Regional Development

announced will have been lost by December, 1972, through withdrawal, refusals or bankruptcies.

• (1240)

An. hon. Member: That is not true.

Mr. Mazankowski: The total number of jobs that were announced and still expected to be filled, if one subtracts withdrawals and refusals, was 44,790 as of November 30, 1971. The number of jobs actually in existence as a result of RDIA grants is nowhere near this total. As reported by the *Globe and Mail* on February 11, 1972, information on actual jobs created and actual grants paid is not available from DREE. The best estimate that can be made on the basis of available information is that only about 5,000 jobs are in existence as a result of DREE grants. This figure, however, may be a bit of an overestimate in view of the numerous cases in which firms have laid off workers after receiving payments or in which firms have closed a plant in one location and opened or expanded another in a designated region in order to receive a DREE grant. There are many examples of this sort of process.

Perhaps the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) will not mind if I refer to the Belanger-Tappan case. The offer of a grant to the Belanger-Tappan firm was withdrawn, not because the company was going to close the Findlay plant, but because they did not do that soon enough. I believe the minister's statement outside the House indicated that the offer was withdrawn on February 11 because the company had not followed up its application within departmental time limits, even after it was given one extension. Mr. Speaker, I believe that this indicates that if the Belanger-Tappan firm had closed its Findlay plant and expanded the Montmagny plant sooner, the grant of \$254,000 odd would have been paid.

This incident involving a plant closing is just one example of a more widespread failure on the part of the Department of Regional Economic Expansion and its predecessor. The department and its predecessor failed to co-ordinate, when creating productive capacity in an industry, that productive capacity with realistic projections of demand. By paying incentive grants that will promote the expansion of productive capacity without first ensuring that there is demand for the products which will be manufactured, DREE will simply displace workers and capital in existing plants. There is considerable evidence to show that this has already taken place, Mr. Speaker. DREE's policies and programs have had precisely this effect.

Mr. Marchand (Langelier): Give some examples, please.

Mr. Mazankowski: I am glad the minister asked for examples.

Mr. Marchand (Langelier): Yes; give examples, please.

Mr. Mazankowski: For example, in my province, Alberta, it was planned to erect a \$10 million fertilizer plant at Redwater. At the same time, fertilizer workers in Calgary were being laid off. Another example involves overcapacity in the meat packing and processing industry. After one or two such plants had closed in Calgary, a new one was to be opened in Lethbridge with the help of a federal

[Mr. Mazankowski.]

incentives grant. Look at the tire industry, which is plagued at present with production and marketing problems. Despite that, the federal government supplied a considerable grant to a French firm which wanted to develop a tire producing plant in one of the Atlantic provinces. Such actions can only create disruptive effects and harm the social and economic welfare of people in other parts of the country.

Let me cite another example. One might ask if there is a shortage of liquor in this country. Are our own distillers broke? Nevertheless, we have given \$10 million to the Seagrams people at Gimli, Manitoba. I understand that another \$10 million has been given to the Hiram Walker people at Kelowna. I am sure that the overproduction of skidoos and hockey sticks in this country will too bring about plenty of disruptive effects for industry. As I say, I am pleased that the minister asked me to give examples. I could give many more.

For instance, consider the proposal in Alberta involving the North American Integrated Food Processing Company which wishes to establish a large, integrated hog processing and producing facility in southern Alberta, merely because the area in question has been designated and because the company wants a federal incentives grant. The details of the proposed transaction are somewhat sketchy at present. I believe the firm has applied for the grant to the department the minister controls. It wants to erect a huge complex for processing between 200,000 and 600,000 hog carcasses per year. What effect will this operation have on the established processing enterprises in Alberta, as well as those in the rest of Canada? The point must be made, I believe, that, in analysing this application the department must consider that, right today, major facilities for hog production and processing exist in the central and northern parts of Alberta. That is where the potential for such enterprises exists, because that is where feed grain is produced.

Statistics show that from the area in which this operation is to be installed, something like 245,000 hogs went to the Calgary packing plants in 1970. This clearly means that there is no large scale production there. It means that if you are to develop a facility which will process for market up to 600,000 hogs per year, you will need to develop a new group of ancillary enterprises there. I fear that a large number of enterprises may become involved in this integrated processing facility and production in northern and central Alberta will be harmfully affected. This new added production facility in the southern part of the province may have disastrous social and economic effects which, in future, will affect not only the hog industry in the province but that industry throughout the entire country.

Census divisions, 7, 10, 11 and 12 which cover the north-eastern part of Alberta produced about 700,000 hogs in 1970. This area, as I said before, is where many hogs are produced because feed grain is produced there. There is a potential for marketing 1,750,000 hogs which will be produced in that part of the province in the next four or five years. So, it seems clear that if any expansion is to take place in the processing and production aspects of this industry, it should take place in the area where there is production at present, where it has future potential and