

that plainly would benefit employment in a slow growth region, while probably giving other projects more assistance than they needed.

• (2:40 p.m.)

I am confident that any hon. member would have been driven to conclude, as I was, that the only thing to do is to ask parliament to establish in this legislation rules about the maximum level of incentives and then decide on an individual, case by case, basis whether the incentive should be offered on the maximum scale or at some lower level. That makes a very difficult program to administer. I wish it were not necessary. But if we really want to attack regional disparities, if we want to give the slow-growth regions a real chance to share in the country's industrial growth, the policy just has to have the degree of flexibility proposed in this bill. If it does not, it cannot possibly do the job without wasting the taxpayers money in a way that we cannot ask the people of the rest of Canada to accept.

The question in my mind then became this, Mr. Speaker: how do we guard against any abuses which might creep in to the administration of a flexible program? There are two kinds of safeguard. One is internal organization, and the other is public scrutiny. Good internal organization ensures that all cases are handled systematically and that difficult cases are reviewed by enough officers to ensure that individual biases are very unlikely to prejudice the final decision.

At the same time it is important that this process should not make decisions unnecessarily slow. There will be some applications which clearly will not be eligible at all under the terms of the legislation. There will be many more cases about which it can be readily decided that they should receive the maximum primary incentive—20 per cent of capital costs—but cannot be considered for a secondary incentive. Both these types of case will be quickly dealt with, normally by two officers only.

The difficult cases, where we may or may not provide the maximum incentive, will be reviewed by at least three officers according to careful procedures for evaluating the financial prospects of the enterprise and the benefit-cost considerations involved for public policy. The most difficult cases of all will be further reviewed by at least two of the most senior members of the department before coming to me if policy issues are involved.

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I should make it clear that I will in no circumstances be involved before the final stage of consideration of any case. It will be essential to be most scrupulous, and I shall be most scrupulous, to make it clear that no applicant will be able to short-cut the process by talking to me, or having some friend talk to me. That would not help at all. On the contrary, it will be made clear that any kind of intervention while a case is under consideration is likely to handicap the applicant. The minister's role will be to make the final decisions on the biggest or most difficult cases, to make sure that the objectives of the policy are being pursued. But the officials have to do the detailed work in all cases, and it is not the minister's job to get involved before the officials have studied the details. If I or any future minister began to interfere in the normal consideration of cases, suspicions of political favouritism would at once be aroused. Word would get around. In no time at all the press and the opposition would be alerted, as they should be, and the minister would have a bad time. Those are the facts of life, fortunately, in our system.

Moreover, these internal safeguards are only part of the picture. This program will be operated with the fullest possible flow of public information. In this respect, because the program is more discretionary than the ADA program, I intend to make important changes in procedure. We will continue, of course, to respect completely the confidentiality of applications until the company is ready actually to go ahead with the project. But as soon as it has decided to do so, we shall include it in a monthly list of projects for which incentives are being given. This will be a public list, tabled in the house if hon. members wish, and it will state the scale of incentive provided to each project. If political favouritism is suspected, the issue can be raised in this house. The points of contention, however, will no doubt relate mostly to applications which are rejected or which receive a grant below the maximum and less than the company thinks it should have. The first appeal in such cases will no doubt be from my officials to me. If the company remains dissatisfied, and wishes to pursue the matter publicly, I would be entirely willing to state the reasons for the decision and hon. members would be able to question it.

Naturally, I have considered carefully whether there should be provision for an appeal to any kind of independent arbitrator. As I had the privilege of establishing the Immigration Appeal Board, in an area which