

• (1750)

I continue to believe that regional disparity must be overcome. It must be the subject of priority attention because inequality in the distribution of our national wealth remains one of the greatest threats to our nation. When we do review this program there are certain provisions which should be incorporated in it.

First, direct state intervention is needed to establish an industrial strategy for each region. The federal government in co-operation with the provinces must be prepared, at least at the outset, to invest directly in enterprises which can be viable in the long term.

Second, the corporate tax structure should be overhauled so that taxes reflect the real social cost, such as overcrowding and congestion, of industries locating near cities such as Toronto, for instance, as opposed to the Maritimes, the Prairies or Renfrew county.

Third, a carefully planned infrastructure program co-ordinated with industrial development is needed. Co-ordination is presently impossible because the department only responds to propositions made by corporations which present applications, and such proposals are only haphazardly tied to the department's program for giving slow-growth regions the basis they need for development.

Fourth, there must be a greater measure of consultation with the provinces and with local governments and organizations. Regional development cannot work effectively if the support of the people in the region concerned is tepid because their views have been set aside. This program needs overhaul. I know that all of us are committed to the principle of overcoming regional disparities in Canada, but we must find more effective ways of doing so than have been presented up to the present time.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I am honoured to have an opportunity to support the hon. member's motion and to spend just a few minutes before six o'clock commiserating with him on the difficulty he faces because one part of his constituency is designated while the other is not.

Long before he became a member of this House I experienced the same upsetting arrangement in Lambton-Kent. In those days, areas to be designated were decided on the basis of unemployment figures originating in various Unemployment Insurance Commission offices. This arrangement left a terribly grey area affecting the jurisdiction of the Wallaceburg unemployment insurance office and the Chatham office which at that time was not designated. Thus, I have reason for sympathizing with the hon. member and I am pleased to support his motion, particularly since he has called for an enlargement of the designated area. I am sure I speak for him when I say it must be uncomfortable to contemplate a high degree of unemployment in Lanark involving the closing down of plants, while just a little way north in Renfrew everything seems to be booming.

In Lambton-Kent we also carry on a lumber industry, though not to nearly such an extent as the country which the hon. member represents. I was in conversation the other day with a sawmill operator who was forced, as part of the fight against pollution, to make a \$50,000 invest-

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ment in a wood-chipping machine. He is going to make wood chips and sell them to the United States. One of my hon. friends asks whether they will be used to make charcoal. No, these wood chips from southern Ontario go through a manufacturing process in which they are made into inexpensive pressed board.

When the policy of assistance to less developed regions was first announced by the Minister of Regional Economic Expansion (Mr. Marchand) on March 11, 1970, he outlined the area in Renfrew which was to be covered, but in the closing part of the statement he said—I am quoting from his announcement—that the agreements being made with the provinces would be for the same period as the designations; for most of the areas, however, it was expected that these agreements would be followed by further joint development plans extending over a five-year period.

The Acting Speaker (Mr. Boulanger): Order, please. The time allotted for private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO PROVIDE FOR CONTROL OF FOREIGN OWNERSHIP OF CANADIAN COMPANIES

The House resumed consideration of the motion of Mr. Pepin that Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, before the dinner hour I was pointing out that the oil and gas industry had brought to western Canada an estimated one million in population, or 20 per cent of the population of the west. With our period of high unemployment during the last two decades, I was posing the question where these one million would have found a living, whether in Toronto or Montreal. Certainly, without United States capital the oil industry would not be nearly as far advanced as it is today.

Then, again, I pointed out that recent discussions have been going on in this House and the country at large over the proposed Mackenzie Valley pipeline. Looked at in a dispassionate way, it seems that the best route for bringing oil and gas from the Arctic is down the Mackenzie Valley and into continental North America. Construction of this valley pipeline really depends upon whether Alas-