

*Oral Questions*

**Mr. Nunziata:** Mr. Speaker, the Minister in answering earlier questions said that the project was fully eligible, to use his words. The Auditor General in his report at Clause 16.94 said that the project was ineligible for funding.

Is the Minister saying that the Auditor General was wrong? Doesn't he consider it totally inappropriate for a Minister of the Crown to be contradicting an independent officer of Parliament?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, first, I would like to commend the Auditor General on a very even-handed report and for continually doing a very good job.

**Some Hon. Members:** Hear, hear!

**Mr. de Cotret:** I would like to quote the hon. gentleman, Mr. Dye, who said yesterday at his news conference "I am advised it was within the Minister's prerogative to make the payment out of IRDP, and he did so or Cabinet did so." I find no illogical statement there on his behalf. It has nothing to do with the bending of the rules in any way, shape or form.

• (1440)

## REQUEST THAT PRIME MINISTER ORDER INQUIRY

**Mr. John Nunziata (York South—Weston):** The report speaks for itself when it says the project was ineligible for funding. That is the bottom line. In view of the concerns of the Auditor General, in view of the fact that this multi-billion-dollar corporation did not need these public funds in order for this billion-dollar project to go ahead, and in view of all the shenanigans that have taken place, will the Prime Minister order an inquiry into this?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, I think I have laid out the facts as they are, not as the hon. gentleman would like to believe they are. In 1983 the project was technically ineligible because at that point it was viewed that the project could be completed without federal assistance. By 1985, conditions had changed. The Minister at that point acted within the rules of the IRDP, as the Auditor General himself states, in the best economic and social interests of that area of the country to bring jobs, output growth, and tourism to an area that sadly needed it, an area that needed diversification.

## AUDITOR GENERAL'S COMMENTS

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question is directed to the Prime Minister. The Minister has said that in 1985 DRIE officials said that conditions had changed and funding must be proceeded with. Why then did the Auditor General say in his report that the project was reviewed in 1985 by the DRIE internal board which recommended against support by IRDP, and that in July of 1985 the

Cabinet reviewed the project and directed the federal funds to be restricted to the Canada-Alberta Tourism Agreement, not IRDP? In light of these things, why is the Minister saying the opposite thing to us in the House today?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, I would like to answer in two parts. First, the Auditor General clearly said himself that he was advised it was within the Minister's prerogative to make the payment out of IRDP and he did so or Cabinet did so. Second, Frank Jackman, the Alberta regional director in the Department, says very clearly—

**Ms. Copps:** Blame the civil servants.

**Mr. de Cotret:** We get advice from our officials. On November 26, 1986, he said that in his judgment, had the federal Government not moved, that project would not have been completed, and we are talking about 15,000 jobs, \$200 million in tourist spending in Edmonton alone, not including the money spent outside Edmonton in the whole region.

## INELIGIBILITY OF TOURISM PROJECTS FOR GRANTS

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, there still was a breach of a Cabinet decision by the former Minister in charge of DRIE. I would also like to ask the Minister how they can make this kind of a grant to the Ghermezian brothers in Edmonton for Fantasyland when the rules that were Gazetted for the Department say very clearly that tourism operations are ineligible for contributions.

In light of the fact that the former Minister himself issued a press release in November of 1984 that said tourism projects are ineligible for these kinds of grants, how could they make this grant to the buddies of the Deputy Prime Minister for Fantasyland in Edmonton?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, any Cabinet Minister in this House would be happy to be able to create 15,000 jobs for a contribution of \$5 million. What does the Hon. Member have against western Canada? What does he have against Alberta? Why is he haggling on this point? For 15,000 jobs, \$5 million is a hell of a good deal for Canadians and a hell of a good deal for western Canada.

**Some Hon. Members:** Hear, hear!

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## AUDITOR GENERAL'S REPORT

## ENVIRONMENT WEEK 1986—COSTS OF CAMPAIGN

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Minister of the