

Government Organization

taxpayers to save. This is not possible today, as taxes take up even part of what is absolutely necessary to live. Moreover, Mr. Chairman, we should contribute to the development of productivity.

As for the department's proposal to give financial aid, in co-operation with the other departments, it could perhaps bring some hope for a solution, although Mr. Chairman, it would be enough if we did what is necessary to compete with American industries.

Because of our weak domestic market, mass production cannot be successful in Canada, and as a result it is impossible to attain parity of salaries overnight. The unions that demand such parity are doing nothing to ensure a sound Canadian economy.

The Canadian Economic Council claims and I quote:

If parity of the nominal income was ordered for every Canadian citizen at 10 a.m., it is most likely that the processes of the foreign exchange market would abolish the real parity around 3 p.m.

As for the use of cheap wood species, one could refer to commercial agreements and to the Kennedy Round to prove that even if we want to facilitate the development of Canadian industry and regional expansion, we are exploited by American industry.

The Acting Chairman (Mr. Richard): Order. I am sorry to inform the hon. member that his time has expired. The hon. member for Gatineau.

• (4:20 p.m.)

Mr. Clermont: Mr. Chairman, I would suggest, if the house agrees, that the hon. member for Lotbinière be permitted to complete his speech.

The Acting Chairman (Mr. Richard): Does the house agree?

Some hon. Members: Agreed.

Mr. Fortin: Mr. Chairman, I thank the house for its co-operation. I want also to thank the hon. member for Gatineau (Mr. Clermont) who was kind enough to ask that I be granted a few minutes more to complete my speech. I would like to say that, even if we want to facilitate the development of Canadian industry, we must implement a national policy for Canadian industry in order to check American industry and actually compete with it. In my opinion, that can be one of the important roles of that new department in order to help Canadian industry compete with American industry, which unfortunately

stifles Canadian industry and threatens the domestic trade.

Mr. Chairman, in connection with the establishment of that new department, a well-known editorial writer, Mr. Clément Brown, wrote an excellent article that was published on February 19 in *Montréal-Matin* and which I would like to quote. It reads as follows:

The key to the success of the Department of Regional Economic Expansion will lie in the spirit of its negotiations with the provinces.

Indeed, a rapid perusal of the bill convinces us that the development policy is headed for failure is there is not, at every level and every moment, close co-operation between the federal government and the provinces.

That, Mr. Chairman, is an extremely important point which we cannot stress enough because today, in a federative system, we cannot conceive of a battle against poverty and regional disparities without, first and foremost, a serious agreement reached by the federal and provincial governments in a spirit of co-operation.

That is why, Mr. Chairman, I am anxious to know the terms of the amendment mentioned by the minister during his preliminary remarks. In fact, he said that he would introduce an amendment to clause 26(1) with regard to federal-provincial relations.

I think that this is one of the basic points of this discussion and I am extremely sorry not to have more time available to me to deal with it. Nevertheless the basic principle of regional economic expansion should be very close, very human and very fair co-operation between the provinces and the federal government and it should not be detrimental to the provinces nor a one-way affair. It should be carried out jointly, otherwise these programs will come to nothing and in view of the fact that they will not solve the problem they will simply widen the gap between the provinces and the federal government.

Mr. Chairman, I close with this. We are happy that the minister responsible for the new department is a man we are acquainted with since we know that he is aware of the problems of the people. In view of the fact that he now has the tools which he has longed for for a long time, namely this new Department of Regional Economic Expansion, we hope that he will make good use of it, in a human way, so as to help the Canadian people to get out of the financial and economic stagnation in which they are now.

We also hope that, when the time comes to give subsidies and loans to provinces and