

*Proceedings on Adjournment Motion*

## INDUSTRY—MANIWAKI (P.Q.)—TALKS ON POSSIBILITY OF GRANTING MONEY TO SOGEFOR PLANTS

**Mr. Gérard Laprise (Abitibi):** Mr. Speaker, on Thursday last, that is January 21, I asked the Minister of Regional Economic Expansion (Mr. Marchand) whether he intended to get in touch with the Quebec authorities or the Sogefor management and come to an agreement which might forestall the closing of the plants on March 5 next.

I presume the minister has had enough time to take into consideration this most important question as far as the 800 employees of the Maniwaki-Mont-Laurier-Lac des Îles area are concerned. In fact, failing an immediate solution, three plants will close down, by reason of a lack of outlets for their production, or of poor administration, or perhaps even of both. This somewhat recalls the situation that prevailed in 1929-30, when there was overproduction but inadequate purchasing power for the consumers to get the goods offered.

People know that the Minister of Regional Economic Expansion is granting money earmarked for industry in some low-employment zones, for the opening of new lumber mills or plywood plants, for the production of building materials, whereas existing businesses intend to shut down because they find no customers for their products.

While taxing the Canadian people for subsidizing new industries, we are maintaining the 11 per cent tax on building materials, which prevents people from buying such products.

The federal government is keeping silent before the problem facing the Sogefor employees. The government should, as soon as possible, offer to help the Quebec authorities and the Société générale de financement to find some means of preventing the closing down of those plants in a region where 28 per cent of the people are unemployed and where 10 per cent are on welfare. If those plants do shut down, this percentage will be over 50 per cent.

Those forest and wood industry workers as well as the whole population of this area have reasons to worry. In fact, they will be greatly affected by the shutting down of these plants. The governments should not be content with instilling confidence into these people but should also assure them that they will keep their jobs. They are not interested in living on unemployment benefits which will cost \$40,000 to \$50,000 per week to the public Treasury, neither on a pittance from the Department of National Health and Welfare.

The forest and wood industry provides most of the occupations for these people who do not want to lose this industry and have given evidence of it. The Maniwaki people are prepared to set up a co-operative with their own savings so that this enterprise may survive. However, I do not know whether those savings will be sufficient for the enterprise to keep operating.

Following discussions I have had with the municipal authorities, I am asking the Minister and the government to take necessary steps to prevent the closing down of

[Mr. Béchard.]

those industries and spare those people hardships, anxiety, unemployment and privations. Perhaps this enterprise should be granted the necessary subsidies to maintain its operations for at least one more year and to find new markets for its production. Quite a few things will have to be done to reorganize these industries and make them viable.

I said earlier that the administration had a weakness which should be corrected but the government should avoid flooding the market by creating new and similar industries unless it is confident that their production will be in sufficient demand.

The minister should let us know what his plans are in this connection.

[English]

**Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion):** Mr. Speaker, as the hon. member knows, Sogefor is a wholly owned corporation of Société Générale de Financement de Québec. This latter company is a holding company in which the province of Quebec is the principal investor. I want to assure the hon. member that the Minister of Regional Economic Expansion (Mr. Marchand) is fully informed, both of the basic economic problems of this company as well as of its current financial difficulty. He is equally aware of the extremely vulnerable position of the over 500 workers in the three locations and the woods operations of Sogefor.

This department, however, administers an act of this Parliament, the Regional Development Incentives Act, which makes assistance available for plant expansion, plant modernization or for new plants establishing in designated regions. Sogefor is in a designated region, but there is no authority under the act to make grants simply as a subsidy to carry a company through a difficult period or to try to develop new markets for a company.

Perhaps the question has to be addressed to the Department of Industry, Trade and Commerce. We in the Department of Regional Economic Expansion have definite limitations concerning the kind of aid that can be given. We do not provide assistance, and we lack authority to do so, for temporary aid of a financial kind which seems to be requested at this time, nor could we simply help one company or a group of investors to buy out another company in order to proceed. We must be governed by the requirements of the act concerning expansion or modernization.

However, I want to say to the hon. member that if and when this company makes an application to the Department of Regional Economic Expansion for aid that conforms with the conditions of the act, that application will be given urgent consideration. The department is fully aware of the dislocations that would result in those communities from Sogefor closing down and it would do what it could in considering any application that came forward that would fit into the authority of the department.