

from is not a statement of government policy. He talked about somebody's alleged proposal to cabinet.

Second of all, Madam Speaker, in my hon. friend's own question he gives the answer to what he is trying to assert, that it is not correct that this government is working in a way that is adverse to the interests of the Atlantic provinces in general, and Newfoundland in particular, because he himself in his question put forward a range of announcements we made to enhance the economic development of the Atlantic area.

We are also taking steps to enhance and expand the economic base of the province of Newfoundland through a number of measures, one in particular being what we are doing to bring about the development of the offshore resource area. On August 27 I announced the federal government's program to ensure to Canadian workers and companies in Canada a full and fair opportunity to take part in those projects, and this will mean a whole host of opportunities for workers in Newfoundland, something my hon. friend did not bother to think about in the fortunately brief period he was in office.

GOVERNMENT FUNDING FOR PULP AND PAPER INDUSTRY

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce whose answer to the hon. member for St. John's West indicates why he is the weak sister in cabinet.

Recently Cal Knudsen, the chairman of MacMillan Bloedel Ltd., reported that three B.C. newsprint producers are spending about half a billion dollars of private capital to build three newsprint machines. Mr. Knudsen, whose company has just laid off 1,400 workers, reported that these new machines will start up at low operating capacities caused in part by government funded expansion elsewhere in Canada. Since the cabinet document referred to by hon. members specifically underlines the need for a "good climate" for private capital investment, why does the government continue to rain on the private sector's parade by funding competitive projects? Why should taxpayers pay for projects which may put themselves out of work?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the hon. lady's question demonstrates why it is said that when Conservatives are asked to form a firing squad they take their guns and form up in a circle. My hon. friend from Newfoundland has just complained that this government is allegedly not doing enough to enhance the economic development of eastern Canada. His colleague is saying in effect that we are doing too much.

I do not think there is in any way anything wrong with working co-operatively with the industry and the provinces to help bring about the modernization of the pulp and paper industry in this country generally, and in eastern Canada particularly, because we have said that we are also willing to discuss a similar program with the western provinces and industry. For her to say what she is saying, reflecting on the very great and sound achievements for the pulp and paper

modernization program in its present form, it shows why, instead of making the contribution the Conservatives should to national unity, they are doing just the opposite.

Oral Questions

DOCTRINE ESPOUSED BY FORMER LIBERAL MINISTER

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce.

Some years ago a prominent Liberal by the name of Walter Gordon, who is widely known as the philosophical mentor of the minister, propagated the odious doctrine that the federal government should move people out of Atlantic Canada to the industrial centres of the country, rather than help create opportunities for jobs in their own region. This top secret cabinet document on federal economic priorities for the 1980s, which I have in my hand and which the minister has not repudiated, calls for "a large-scale shift of people from areas with low rates of productivity to high-productivity areas of the country." Will the minister rise to his feet now and assure the House, and through the House the people of Atlantic Canada, that he will personally fight against the federal government's declared goal of resurrecting the odious Walter Gordon doctrine?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, it is not the declared role of this government. In fact the evidence demonstrates that we have been working to increase job opportunities in every part of the country, and we have certainly been doing this with respect to Atlantic Canada. This is demonstrated by the fact that the most recent figures show that the population of Atlantic Canada has gone up, the first time this has happened in many years, and it has gone up because of the work we have been doing through federal government policies to support private sector activity and to create the jobs and the environment which has brought people back to Atlantic Canada, something they would not have thought of under Conservative policy.

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AUTOMOTIVE INDUSTRY

LOCATION OF VOLKSWAGEN PLANT IN ONTARIO

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is addressed to the same minister. Volkswagen decided to locate in Barrie, Ontario, at no federal cost other than duty remission which would have been granted anywhere else in Canada. The minister, by his interference, and in conjunction with his Quebec cabinet colleagues, pressured Volkswagen to locate in Quebec, thus the company nearly went to the United States. Only a \$9.2 million Ontario grant saved that plant. Does the minister realize he has no cabinet clout left, that he has created unnecessary tensions between Ontario and Quebec, and that by his actions the Volkswagen incident has not gone unnoticed but has damaged future foreign investment in this country?