

*Canadian Economy*

On the other hand, if you destroy entirely the local industry one day you become entirely dependent on imports and then our efforts are hamstrung. We must maintain a balance between the two, and we hope to do pretty well the same thing for the shoe industry but in a different way because the problem is different.

And I would like to remind hon. members of other actions we took concerning the economy in the province of Quebec because in spite of the many efforts of the federal government there was a deterioration of the situation and the provincial government in Quebec is not generally well disposed towards the federal government these days.

Let us consider the shipyards: it is one of the most difficult industries to maintain in any modern economy nowadays. That is easy to understand. Since there has not been any significant growth in the international economy in the last four or five years, the need to build new ships is not so great, and the Japanese shipyards succeeded last year in capturing about 85 per cent of the market. I quote from memory and may be a little off, but not by much.

Faced with that situation and aware that shipyards were in trouble, we managed last spring to increase shipbuilding grants from 12 to 20 per cent, which made it possible to maintain a certain level of employment in shipyards across Canada and also in Quebec. Furthermore, there is in Sorel a provincially owned corporation. We were able to negotiate with the Polish government the building of several ships, which ensures employment for two years. Such construction is completely financed by the Canadian government. All that was done to maintain a provincial Crown corporation, and, Mr. Speaker, those are all the thanks we got for that. When the Canadian ambassador to Poland, who had negotiated the contract, accompanied the Polish Minister of External Trade and Navy to Quebec City, he was told that he was not welcome. This was a very nice way to thank a faithful servant of the state who had worked in the interest of Quebec workers. However, I was very happy, since the hon. member for Joliette and myself come from the same general area, that at least, in spite of the lack of courtesy of the provincial government, because of the circumstances, the union leader was kind enough to apologize to the Canadian ambassador to Poland.

I would also like to talk about Canadair, another activity of the Canadian government which is extremely profitable to Quebec, but we do not hear about it very often unfortunately. As soon as I was appointed to the Department of Industry, Trade and Commerce, I was given a file about which no decision had been made and which was on the whole rather ticklish and dangerous since it was designed to give Canadair a credit margin which would allow it to start building a plane called *The Challenger*, formerly known as the *LearStar*, which is a long distance executive jet. This was a dangerous proposal, and to make a decision, I admit in all humility that it took some daring, but we did make it. Because of that decision, Canadair has now increased its employment level from 1,600 to 3,200. These jobs are highly technological. Canadair got at

least 125 orders, which guarantees an order book of \$600 million.

In the world of aviation, this is considered an almost incredible success, since we have sold 125 units even before the prototype is completed, which proves that our decision concerning Canadair has greatly benefited the Montreal area and, most important, that with the help of the federal government, Canadians can show some initiative, and they are now in the forefront of a market which is becoming increasingly interesting. We have outdistanced all our competitors in this field. I was as at the Paris Air Show and I noted some bitterness among our competitors about our achievement. In fact, I believe that we sold 19 of those planes to one customer at the Air Show. This airplane costs about \$5.5 million, which is a rather large amount.

Mr. Speaker, those were the points that I wanted to raise, but I would like to go on and deal with the general economic situation in Canada. Yesterday, Statistics Canada announced that in spite of a weak second quarter, a regression compared to the first quarter of the year, there was quite an interesting recovery during the third quarter, with a 1.3 per cent increase in the gross national product for that period, which represents a 5.3 per cent increase in the gross national revenue at the same annual rate. This is encouraging. Our problems are not over but this is very encouraging at this time. While in my comments on the economic situation I expected a 2 per cent growth for the present year, with that unexpected recovery in the third quarter, Statistics Canada predicted a possible 3 per cent increase, which means that I had been somewhat conservative in my predictions last month.

Now I wish to refer to the measures we have taken to stimulate the economy. We now have before the House Bill C-11 providing investment incentives in the private sector that was introduced in the House early in January and has not yet been passed. I find it absolutely incredible, all the more as the opposition, especially the Progressive Conservative Party, has been extending the debate on that bill for the last four weeks and will vote for it, while hundreds of decisions by businessmen throughout the country are still pending because the opposition refuses to pass the bill.

● (1612)

[English]

I think it is unacceptable that hon. members opposite should vote for a measure at second reading and then drag their feet. I am told that this week my office has received at least 50 phone calls from businessmen inquiring about when Bill C-11 will be passed. I would like to tell them today that it has not passed because the official opposition has been dragging its feet. We have been debating this bill for four weeks and we have managed to pass only three clauses in a bill with a total of 116 clauses. Is that the way the people of Canada want the business of this nation to be transacted? Not at all. It is because of the opposition that we are not moving ahead.

In Bill C-11 we propose other exemptions. Yesterday, the hon. member for Gatineau (Mr. Clermont) was not completely