

*Adjournment Debate*

lost in other companies in other parts of Canada. Obviously a game of musical chairs is being played with the unemployed and being paid for by Canadian taxpayers.

If there are foreign markets which could have been exploited, why did the government go to an Italian company? We have Canadian businesses as in this sector which have proven their ability. Why were they not given the chance to open a branch plant in Quebec to service foreign markets? Why could the government not have given Canadian business money to expand in foreign markets?

Instead, the government has followed a course of action which will cause unemployment in other parts of the country, reduce the level of Canadian ownership in this industrial segment, and subsidize a foreign competitor.

It is obvious that in this proposal DREE violates its own mandate to reduce unemployment by simply shuffling the unemployed. Even more seriously, the criterion of FIRA has been violated, as Merloni will not reduce imports, will not improve productivity in this sector, and surely cannot, by any stretch of the imagination, be considered of significant benefit to Canada.

I call on the Minister of Regional Economic Expansion (Mr. Lessard) to withdraw immediately his offers to Merloni and Astral Refrigeration. To do less would be a disservice to Canada and Canadians.

**Mr. Donald Wood (Parliamentary Secretary to Minister of Regional Economic Expansion):** Mr. Speaker, as you are aware, the Department of Regional Economic Expansion has made an offer of assistance of \$2.6 million to the Merloni Group to establish a facility in the province of Quebec to manufacture compact household refrigerator units. This offer was made under the terms of the Regional Development Incentives Act. This project is expected to create 179 jobs and generate investments of some \$11 million in a region of the province facing very high unemployment at the present time.

● (2207)

Before going into details concerning the case raised by the hon. member for Nickel Belt (Mr. Rodriguez), I would like to explain briefly the approach used by this department when evaluating an application made by a firm for a development grant under RDIA. Before offering an incentive to any applicant, the government—DREE among other departments—undertakes an extremely careful analysis of the project, in order to satisfy itself as to the net benefits that will accrue from it.

In the case of the firm to which the hon. member is referring, the principal product to be manufactured will be compact refrigerators for use by owners of hotels, cottages, condominiums, and recreational vehicles. In addition, a secondary product line of compact freezers will be manufactured which will represent only a relatively small proportion of the company's output.

At the present time Canada is importing a very large proportion of its requirements for compact refrigerators, that

[Mr. Rodriguez.]

is, with a capacity of less than 10 cubic feet. With the anticipated arrival of the Merloni Group in Canada, we would expect that Canada would become more self-sufficient in the production of this line.

Finally, Mr. Speaker, I would like to add that the implementation of this project meets the regional development objectives set by the Canadian government, since the new company will contribute to creating new export outlets for a Canadian firm. It will reinforce Quebec's industrial base and create a substantial number of jobs in a region that suffers from high unemployment.

I am sure, Mr. Speaker, that members of this House will agree with me that these are important factors which justify our decision in this case.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY—  
OXFAM—PROPOSED STUDY OF FUNDING

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, on November 16 and again on December 2 I raised questions concerning the organization of Oxfam Canada. On November 16 my question was put to the Secretary of State for External Affairs (Mr. Jamieson) who formerly, at least, had a connection with CIDA. My concern at that time was that in certain statements contained in documents that came to me there was an indication, not an outright suggestion or recommendation but an indication, that it was possible to deceive CIDA about certain funds because CIDA might have poor accounting practices.

I found that alarming in itself but what I found even more alarming was that when I addressed a question to the Minister of National Revenue (Mr. Guay) on December 2 to the effect that, according to further documentation and information that had come to me, it was possible, on the basis of the statements made by an officer of Oxfam, that Oxfam could set out to deceive large corporations and well-to-do citizens deliberately by failing to inform them that one of the motives of an officer or officers of Oxfam was to equalize distribution of wealth in Canada.

I am not prepared to argue whether that doctrine is acceptable, but I am certainly prepared to argue that political overtones of this nature should not invade meetings or discussions of directors of an organization that is registered as a charitable foundation or organization with the Department of National Revenue which qualifies subscribers to it for tax deductions. On the basis of information that I have provided to the Secretary of State for External Affairs and to the Minister of National Revenue, I have sought from the Minister of National Revenue an indication of whether he is prepared to take action.

It may well be that certain individuals on the board of Oxfam have political philosophies that have seeped into the structure of the organization. If that be the case then let me draw to the attention of the House the fact that over a year ago I happened to see an advertisement which had been passed, as I remember, to two members of the opposition—the hon. member for South Shore (Mr. Crouse) and the hon.