

*Income Tax*

ing difficulties. We have provided funds and we have guaranteed loans. Mr. Speaker, I think I can see you smile, because you know what I am referring to. Lately again, as a result unfortunately of some difficult conditions experienced by a particular area in Quebec, we were able in co-operation with the Department of Industry Trade and Commerce, to join our efforts to those of some industrialists willing to carry on and assume the risk. Thus jobs were preserved and there might even be a substantial increase of jobs in the case I am referring to in the city of Valleyfield. This is not a unique case, there are several others, Mr. Speaker, of which my colleagues are also aware.

Some may argue that we do not publicize these facts enough. We should mention them more often. Perhaps we should issue weekly press releases to let the public know what we are doing. The reason might be that we are not that kind of people, for we are satisfied with doing our job the best way we can, trusting that the Canadian public which is aware of our efforts will recognize them, as I am sure it does.

As I was saying, Mr. Speaker, we often act together with the provinces through development agreements. During the past three years, we have signed with them over 80 subagreements which involved more than \$2 billion in expenditures. It is interesting to note that this is a federal department which, without making too much fuss, is constantly bargaining with the ten Canadian provinces. It is a fact that there are tensions, that the bargaining is tight, and that there are disagreements. Yet, Mr. Speaker, the 80 agreements which we have signed are conclusive evidence that the bargaining and consultation process is operating efficiently and successfully.

We have had agreements signed with the ten provinces, Quebec, British Columbia, Newfoundland, Ontario and all the others. We are negotiating with them on a regular basis. This is a sincere attempt at co-operation. We cannot obviously fill all expectations. We cannot approve each and every proposal. It being a matter of priority, we have to make a choice between all proposals, and try to improve present conditions and that is what we are doing on a regular basis.

It is plain that the final disposition lies in the hands of the provincial governments concerned because they are the ones that have jurisdiction over the land and its resources as well as in most of the areas where we want to co-operate with the provinces. Mr. Speaker, this reminds me of an article that has been brought to my attention and it concerns a Quebec provincial minister. I can mention his name because it appears in the article. I quote:

The Quebec Minister, Claude Morin, is suggesting that the Department of Regional Economic Expansion is unconstitutional. That it should not exist because it operates in an area under provincial jurisdiction.

He probably wants to imply that we should further increase our payment transfers to the provinces. I say, Mr. Speaker, that he is not the only one that has made such a suggestion. I heard about proposal which was made some time ago whereby we should transfer to the provinces the equivalent of the

department's budget and allow them the freedom to spend this money as they see fit.

I looked at this proposal and dwelt at length on the effects it would have. I saw what would happen to the federal government's tax structure if such a transfer were made to provinces. Already, we have transferred to the provinces, within the framework of two programs, the shared cost program for the year 1976-77, the sum of \$4,506 million, and that was for the year 1976-77.

Fiscal transfers amounted to \$3,216 million, which means that federal transfers to the provinces, under two or three minor programs, amounted actually to some \$8,130 million. I doubt that \$500 million divided amongst the provinces will change anything much; they will disappear in the overall picture just as do now in the vast majority of cases the amounts we transfer to the provinces. Yet, the federal government is accused of doing nothing for the economic development of the provinces. One may wonder, if we are completely responsible for their development, whether we should not review those transfer programs, because after all, if we transfer all that money, it is precisely to enable them to develop their economy, strengthen their structures, and I do not think that having a department allot those amounts to the provinces directly would solve the problems. Indeed not, Mr. Speaker, I am convinced people would still blame Ottawa for its inaction, for its lack of leadership, its lack of interest. This is why the department has been and still is in existence. And I feel that its scope should be increased substantially, because if we are to be blamed in this House and elsewhere for certain disparities between regions and provinces, let us at least have the authority to act. Our powers are not nearly as broad as would be desirable.

My time is almost up, so I conclude by referring to certain accomplishments, certain situations. In recent weeks and months, the department has been confronted with certain economic conditions such as unemployment, and because of this we have increased our interventions. In the case of the province of Quebec for instance—and I would like to bring this to the attention of my colleagues because there has been criticism in that respect from time to time—because of increasing unemployment in the province of Quebec and especially in the Montreal area, where a 50 per cent increase was experienced in 12 months, the department decided to designate greater Montreal a special area.

I would like to report to the House that in the course of some four months of operation, we have received over 170 applications for industrial aid projects and, assuming these were all acceptable and granted, this would entail investments of some \$110 million, with the creation of over 4,300 jobs.

I also take pleasure in informing the House that offers were made to more than 17 of the firms involved. Some have already been accepted, with two announced at this point, and I hope that in the coming weeks other accepted projects can also be announced on a regular basis. These efforts are within our own jurisdiction, because we have had to act unilaterally to assist development. Our contribution will help alleviate unem-