

Oral Questions

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when I was president of an American subsidiary I used to wave a lot to my hon. friend who was chairman of an American subsidiary.

It is well known that my right hon. friend is against the trade deal. It is well known that he does not have the slightest intention of trying to invite enlightened debate on it. It is well known that he wants to bring Canada back and protect us as a little Canada that will not compete in the world. It is well known that he believes in protectionism, and he is trying to drag us back into the 19th Century.

But I will have him know that the House of Commons is going to strike a committee which will go across the country. We are going to listen to Liberals, Conservatives, NDPers, and even Bob White. We are satisfied that Canadians will come back with a positive view of an instrument of liberalized trade that is going to bring Canada into the 21st Century and provide new wealth and new opportunities for all Canadians.

Some Hon. Members: Hear, hear!

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AUDITOR GENERAL'S REPORT**GRANT MADE TO WEST EDMONTON MALL AMUSEMENT PARK PROJECT**

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Deputy Prime Minister who, yesterday, avoided legitimate opposition questions about the \$5 million gift which the Deputy Prime Minister provided to Fantasyland by shamefully attempting—particularly shameful for a Deputy Prime Minister of Canada—to paint those who question his conduct as being anti-Alberta.

The facts are these. In 1986, some 1,200 Industrial and Regional Development Program applications across Canada, including 26 from the Province of Alberta, were rejected by the federal Government for funding because the applications did not meet the program criteria.

I ask the Minister: How is it that in the case of 1,200 applications from across Canada, including 26 from the Province of Alberta, the rules were sufficiently important to say "no", but in the case of the Deputy Prime Minister's pet project, Fantasyland at the West Edmonton Mall, the rules were clearly broken and, according to the Auditor General, an illegitimate \$5 million taxpayer gift was given to the West Edmonton Mall Limited?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I certainly question the premise of the Hon. Member's question.

I should like to state that after consultation with my officials it is clear that the project was eligible under the Industrial and

Regional Development Act. No rules were bent, as people are contending.

The application was received in December, 1983, and was initially not approved on the basis that the need for assistance was not proved. No formal rejection was issued, and the application was held in abeyance.

By mid-1985 economic circumstances had changed such that the Minister judged that the project would not be completed within the original time-frame and scope without government assistance. The Minister has discretion for such a decision under Section 8 of the Act.

The funding was directed toward portions of Fantasyland which were not completed at the time of the approval.

I might add that only 25 per cent of the original request was deemed appropriate at that time.

REASON FOR MAKING GRANT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, 25 per cent, 50 per cent, 75 per cent, or 100 per cent of an illegitimate taxpayer gift is still illegitimate.

The Minister has not cited the facts. He has cited something out of Fantasyland which bears no resemblance to the truth with respect to the grant. The original grant was approved by a Minister of DRIE who is no longer in the Cabinet, despite a Cabinet directive to the contrary. When the Deputy Prime Minister became Acting DRIE Minister he had a choice.

● (1430)

Mr. Speaker: Perhaps the Hon. Member could put his question.

Mr. Tobin: Mr. Speaker, when the Deputy Prime Minister became Acting DRIE Minister and he discovered the rules had been broken and that the previous Minister had made an offer despite a Cabinet directive to the opposite, why did he not correct the problem? Why did he follow through on an illegitimate, illegal grant to a company not qualified for that grant under IRDP rules?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, it was fully eligible and fully warranted under the economic and social circumstances, and as well very beneficial for the whole economy of Edmonton and Alberta.

I would like to quote Mr. Frank Jackman, Alberta regional director of DRIE, an official of the Government. He said at that time on November 26, 1986, that "Ottawa decided to provide assistance because it was a good project that improved Edmonton's status as a tourist destination." He further goes on to say that "had the Government of Canada not made this contribution, we clearly didn't think at the time that this project could go ahead."