

Oral Questions

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are not unmindful of the economic problems currently being faced in the Province of Quebec. We have negotiated the first Economic and Regional Development Agreement with the Province of Quebec since 1974.

Some Hon. Members: Hear, hear!

• (1430)

Mr. Wilson (Etobicoke Centre): Since then a number of subagreements have been negotiated. In addition, the Minister of National Defence has announced the purchase of some eight jet planes from Canadair. We are not unmindful of the problems in the Province of Quebec.

The specific question which the Hon. Member asked was whether we could move ahead with this agreement. The Prime Minister was in Quebec City last week and had some very extensive discussions with the Premier of Quebec on the problem. We should have an answer very shortly.

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[Translation]

SHIPBUILDING

ABOLITION OF SUBSIDIES—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I think there is a difference between signing an agreement and the money involved. It is easy to sign documents that provide less funding for Canadians than the programs we introduced at the time.

I have another question for the Minister of Finance.

Am I correct in saying, for instance, that the Government, as the Right Hon. Prime Minister indicated at his press conference last Friday, has virtually decided to do away for ever with subsidies for shipyards throughout Canada?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we do know how to sign agreements and how to put them into effect. That is what was done with the ERDA agreement which we just signed. Maybe the Hon. Member should explain to the House why an ERDA agreement was not signed for the last 10 years, if he is so good at signing things.

Mr. Axworthy: The program is only one year old.

Mr. Wilson (Etobicoke Centre): There was a new agreement signed on ERDA. If the Hon. Member doesn't know about it, I will send a copy of it over to him.

[Translation]

REGIONAL ECONOMIC EXPANSION

DOMTAR—NEGOTIATION OF SOLUTIONS BETWEEN PRIME MINISTER AND PREMIER LÉVESQUE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, whom I wish to welcome back to Canada. He must have thought there had been some developments in the Domtar case since he left. Mr. Speaker, for two weeks now, the Prime Minister has been stalling for time in the Domtar case. He was probably waiting for his senior Minister to get back.

I would therefore ask the Minister, now that the Prime Minister has met with his Quebec counterpart to discuss the Domtar case, whether he could inform the House today what kind of solution the Prime Minister has negotiated with the Premier of Quebec to rescue the Domtar project in Windsor.

[English]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, it is quite correct that there was a meeting between the Prime Minister and the Premier of Quebec, at which various economic issues in the Province of Quebec were discussed, including the Domtar situation, but there were certainly no conclusions. As my colleague, the Minister of Finance, has indicated, this type of thing will be commented upon in due course.

I can only say that as far as the forest industry is concerned, which of course the Domtar situation falls under, I will be meeting with the Forest Industry Advisory Council in about a week. They, in turn, will be bringing me up to date on what is their current attitude concerning the forest industry, any new modernization which may be required. Most specifically, I want to hear from them whether they still say that no grants should be extended to member companies in that industry for increases in capacity.

[Translation]

DOMTAR—MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary.

If the Minister would bother to read the statements made by the pulp and paper producers association, he would realize that there never was any question of the association saying no subsidy should be given to pulp and paper companies, and according to what the Prime Minister said in the House, this clarification was provided by the association.

My question is as follows. We know there was a meeting on Friday. We know that work on the project must start before spring thaw. We cannot wait while the Minister consults for months on end. Every week, costs are increasing because of the Minister of Finance's policies. Interest rates are going up every week.