

[Translation]

REGIONAL ECONOMIC EXPANSION—QUEBEC—APPLICATION
FOR INTEREST-FREE LOANS FROM FEDERAL
GOVERNMENT

Mr. André Fortin (Lotbinière): Mr. Speaker, on April 21, as reported at page 5120 of *Hansard* I asked the right hon. Prime Minister (Mr. Trudeau) whether the government of Quebec had applied for assistance from the federal government not only to finance the public sector of the Quebec economy, but also the government of the province of Quebec and municipalities which, it is well known, are facing tremendous financial problems.

Furthermore, I asked the Prime Minister whether the federal government was considering setting up some sort of Canadian development agency corresponding to the CIDA, through which the federal government grants interest-free loans to foreign countries. Therefore, I requested the creation of a Canadian development agency that would distribute new credits issued by the Bank of Canada in order to finance the public sector of the economy and develop the municipalities in Quebec. Provincial and municipal authorities could then set up priorities which would enable them to insure a certain economic development.

As it is reported in *Hansard*, the Prime Minister answered by a joke as he thought the question was quite funny. Once again, he found a way to evade the question. That is why, Mr. Speaker, I asked that this matter be discussed later.

For instance, the Prime Minister said, and I quote:
—the federal government pays to developing provinces huge amounts which will nearly reach one billion this year.

Then he said:

These are not interest-free loans—

These are his own words. He is confessing—

—but grants taken from the other provinces' taxes.

First, this is hardly the case because Quebec contributes as much as any other province to the equalization system and, second, with his elusive tactics, the right hon. Prime Minister did not answer the question. He even added, Mr. Speaker, that the taxpayers' money should contribute to economic progress.

Mr. Speaker, it is not the Canadian taxpayers' money which contributes to the development of foreign nations, but lines of credit with the International Monetary Funds which are issued to Canada and redistributed by the Canadian International Development Agency. Why? To stimulate the public sector of developing countries. We agree that Canada assists those countries. Since the government considers that policy useful to other countries, as he suggests it is, and we agree on that, I wanted to know whether he would accept under that same policy to assist provincial and municipal governments, particularly in Quebec?

I asked that question because Mr. Bourassa, the premier of Quebec, was then on a pilgrimage in Europe on hands and knees before financiers while a little earlier he had been crawling at the feet of United States tycoons. Why? To sell Quebec to American and foreign interests.

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At the same time, we give our money to foreign countries for their development. Taking into account that inconsistency, I was expecting an intelligent answer from the Prime Minister, but it did not come.

• (10:10 p.m.)

Mr. Speaker, only recently a meeting of municipal representatives asked the federal government to help them develop their long-neglected areas. The mayor of Victoriaville, a municipality in my constituency, was recently refused through referendum large amounts that were to be used to establish recreation centres and organize the public centre in that city, because people said: We are already paying too many taxes. On that account, they were right. But can anybody blame the municipal council which does not receive any help from the provincial government nor from the federal government, which is pure nonsense.

Thus municipal and provincial authorities are placed in such circumstances that they must either refuse to act or sell our province or our natural resources, because we sell them—we give them I should say—to foreigners in order to develop this country.

Mr. Speaker, my question was simply as follows: What does the Canadian government intend to do? Does it want Canadian provinces, especially Quebec, to benefit from its policy on developing countries? If so, is it its intention to enter into discussions with provincial authorities? Mr. Speaker, the government could show at least enough logic and intellectual honesty to accept such a proposal and to discuss the question.

I therefore repeat my question to the hon. parliamentary secretary to the Minister of Economic Regional Expansion (Mr. O'Connell), who is, I know, a very public-spirited and conscientious man! May we expect the federal government to present as soon as possible an investment policy that would be based not on taxes, but on new lines of credit issued by the Bank of Canada, to provide for the sound and normal economic development of the provinces and municipalities and get them out of stagnation?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the hon. member will recognize that some aspects of his question are arguable.

A distinction should be made between the government's programs for the economic expansion of developing countries and those aiming at reducing disparities between the various regions of Canada. Those areas are not completely unconnected but they are not identical and the government's programs in favour of developing countries should not be compared with those concerning the economic development of Canada.

The federal government is not considering setting up a new organization to accelerate our economic expansion since, as already stated by the right hon. Prime Minister (Mr. Trudeau), replying to the hon. member on April 21, all the required bodies are already existing.

For example, the Department of Regional Economic Expansion will allocate this year more than \$330 million