

criticize the department and there are many, do it mostly because they would like to see it do much more. When that kind of criticism is made in a positive and constructive fashion, with suggestions, I accept it.

● (1602)

I even ask for it because we, in the department and those in charge of provincial governments with whom we negotiate and cooperate, recognize that we have no monopoly on the truth and that in our search for answers for the promotion and development of regions and in our battle against disparities we certainly need the help, cooperation and support from provincial and municipal governments, the people in general but particularly from groups interested in private enterprise, in the industry.

What I mean is that it is not the responsibility of the Federal government and the Department of Regional Economic Expansion alone to fight against disparities. In my meetings with the premiers and the provincial ministers with whom I have regular consultations and negotiations I mentioned that when the Federal government decided to create a department to reduce regional disparities we were acknowledging their existence and that, through the establishment of that department and the budget allocated to it, we had directly contributed to the reduction of those disparities. Therefore I said to the Premiers that if they were satisfied, which was the case for all of them, with the action and decision of the Federal government by which we had recognized the need for urgent action, obviously the same need also existed at the provincial level—I mean the need to acknowledge their disparities and the fact that programs and monies spent by various provincial departments also had a major effect on the development of those areas.

This is why in the last twenty-four months of negotiations, ever since I became responsible for this department, I have always tried to find out what areas within the provinces needed our help most urgently whenever we could give it of course. And if you look at the agreements that have been signed during the last two years you can see that this point of view has been recognized to a large extent by almost every premier and provincial minister with whom I had to negotiate.

On this side of the House, we want to ensure a basic minimum of welfare and prosperity in all regions of the country. We cannot aspire to a strong and dynamic economy if our regions remain poor and underdeveloped. Our regional economy must be based on the image that we have of our country, of Canada's future. However, we must remember that our resources are not unlimited. This bill proves it. Even the other proposal of the Minister of Finance (Mr. Chrétien) which finally asks us authorization to borrow \$9 million this year should indicate above anything else how our actions and the expenditures possible to reach our objectives are limited.

Because of this situation, we must be even more selective, even more cautious in choosing projects that we can support to reduce regional disparities. If I were to accept all the suggestions that are made to me, I would obviously have to commit

Income Tax

the federal government and the provinces to expenditures of much more than the \$500 million now available to the department.

A while ago, we heard a Progressive Conservative member from British Columbia tell us about the progress made these last few months in our negotiations with the provincial government of British Columbia and about the agreements that we have signed and that I have signed personally, in fact, five subagreements which commit the federal government to make considerable expenditures in co-operation with the provincial government. The hon. member recognized that we have made some progress. At the same time, he insisted that we should continue our negotiations and said that certain areas of his province are in great need of our intervention. I thank him for his encouraging words as concerns our department and I can assure him that our negotiations with his provincial government are going on and that next week, during a visit and a conference to which I have been invited, I will go into his province and have the opportunity to talk with the provincial ministers and see what stage we have reached in the implementation of the agreements which we have signed.

Mr. Speaker, if I had a magic wand I would immediately formulate the wish that all those unemployed may find a job, that all depressed areas may flourish again and that all those who want and need to work can do so. But, as we all know, one must be realistic while bearing in mind this kind of tenacity shown by the generations which have preceded us. They were foresighted people, who had faith and they succeeded in building a great country.

We who are prone to criticize and despair now and then should remind ourselves that those who preceded us and built this country had to face much greater difficulties with more limited means than those we have and we should not forget also that generally speaking the standard of living we now enjoy should make us a lot more optimistic and help us keep faith in the ideal of our forefathers.

There are challenges which we must take up, I am aware of that, and I know that Canadians trust their government to find the remedies which are necessary to improve the present situation as it exists not only in Canada but on the north American continent taking into account the difficult international economic situation. In order to meet the challenges facing our department, we have developed several programs. Canada is a big country, as we all know, and its needs as well as its potential may widely differ from one region to the other. The federal government grants billions of dollars each year to the provinces whose fiscal base is not wide enough to provide the necessary funds for their own development and to afford a satisfactory level of services to the population. In our department, Mr. Speaker, we do a bit more than that. We add to that fiscal base by the spendings which we make in these provinces for their development.

● (1612)

We also act unilaterally to promote industrial concerns. We also support businesses which are from time to time experienc-