

Oral Questions

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, perhaps I could answer this question. There are many reasons why we have a new forest industry policy in this country. One of the reasons is that we were running out of trees as a result of the deliberate policy neglect of the former Government.

Therefore, we have decided that perhaps it would be better if we invested scarce public resources in the renewal of our forests, in building infrastructures, in stabilizing the resource base, in building technology-enhanced machinery and equipment for our forest industry, and in many other things. That is why we have a new forest policy. The Member is simply putting a red herring on the floor and tying it into the trade deal.

Mr. Boudria: Mr. Speaker, I am sure the furniture company which is trying to establish itself in my riding will be very comforted by the ridiculous answer the Minister just gave us.

[Translation]

FREE TRADE AGREEMENT—CONSEQUENCES—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): I have a supplementary for the Deputy Prime Minister. Considering the fact that the departmental official told me himself that this forestry policy was established as a result of the memorandum of agreement between Canada and the United States concerning lumber, doesn't this prove that industries applying under regional development programs are now being refused grants because of the Prime Minister's trade agreement?

[English]

I can only wonder how Premier Buchanan accepted the Government's commitment and policy about regional development.

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, if there is any justification for a free trade arrangement with the United States it is the forest industry of Canada. The forest industry is no more and no less in peril now than it was before—

Mr. Boudria: I thought you said we were running out of trees.

Mr. Oberle: —as a result of the free trade arrangement.

The Hon. Member may want to make an argument against forest preservation or the way we are handling our products. However, the forest industry, of all industries, is celebrating the agreement because for once it will permit us to upgrade our products and add value to them, something which was impossible to do in the past because of the tariffs which were added on to finished manufactured products.

Of course the Americans would buy our trees, perhaps in the most primitive form that we would sell them, but as soon as we add value to our products the tariffs go on. That is why the industry is so enthusiastic about this deal. It would be helpful if the Hon. Member would get that into his narrow skull.

REGIONAL DEVELOPMENT PROGRAMS—STATEMENTS
ATTRIBUTED TO CIVIL SERVANTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister responsible for the Western Diversification Fund. At the outset it seems very clear to me that we are running through the same movie we went through on the water deal when the Government said that water was not affected and then finally came around to admitting it.

I am sure the Minister will agree with what the Prime Minister said on October 4, that is, that regional development programs are untouched and unchallenged by this deal. The senior civil servant in charge of the Western Diversification Fund said yesterday that that was not the case. I have a transcript of what was said and the reporter stands by it.

Another senior civil servant, the former Deputy Minister of Finance, was quoted last October in *The Globe and Mail* by another reporter, whose veracity will no doubt be challenged. Mr. Stanley Hartt, then Deputy Minister of Finance, said: "We're going to have to think differently in terms of ways to promote economic development". He went on to say: "We will have to find other unobjectionable ways" to provide industrial development assistance. He was specifically saying that regional development programs would have to be changed.

Last fall a senior civil servant said that they have to be changed and yesterday another Deputy Minister said that they have to be changed. Why is it that they can read the document and understand it, yet the Government does not understand it, or misleads the people of Canada?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development and Minister of Western Economic Diversification): Mr. Speaker, with all seriousness I would like to ask the Leader of the New Democratic Party to review the speech that was given by the Deputy Minister of Western Economic Diversification—

Mr. Broadbent: Not the speech, what he said in the interview.

Mr. McKnight: What interview? The Hon. Member refers to an interview. If he would like to check I am sure that the Deputy Minister will say that there was no interview, that he spoke to the Institute of Public Administrators of Canada. He was replying to a question put forward by Gordon Robertson, the former Clerk of the Privy Council. Through that questioning he explained the policies of the Western Diversification Department.