

Oral Questions

that the policies of the Progressive Conservative Government are contradictory as well.

[English]

In the Estimates that were tabled earlier this week there is a clear declaration that since November Crown corporations or government agencies are no longer eligible for financial assistance from the Government. How can the Prime Minister now leave the impression with Members of the House, and more particularly with the people who are involved in the Domtar enterprise, that the Government may indeed provide some kind of financial assistance? Surely the Government cannot have it both ways. It cannot have a policy statement in the Estimates which excludes financial assistance, and then come into the House and say that they may indeed get such assistance.

[Translation]

Right Hon. Brian Mulroney (Prime Minister): I have already said so in the House, Mr. Speaker, and I fail to see where the contradiction is. Faced with an outright request for a capital injection of \$100 million in favour of Domtar, I had said that we were not in a position to meet that request, regardless of its merits, because of the heavy \$35 billion deficit left us by the Liberal Party.

Be that as it may, we do admit to some responsibility in regional development. The Quebec Government may very well intervene in a case through its agencies, but that does not deny the company involved the right to make representations to the federal Government so as to find a formula which would enable us to offer some kind of assistance.

[English]

EXCLUSION OF CROWN CORPORATIONS FROM FINANCIAL ASSISTANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the general phrases are not helping to clarify a very serious situation. In the financial operations of the Province of Quebec, la Caisse de dépôt et placement du Québec plays a fundamental role and is a public enterprise. Will the Prime Minister explain how the Government could adopt a policy, which the Estimates state has been in existence since last November, that will exclude Crown corporations or other government agencies, even if they have simply effective control, from financial assistance from the federal Government? Does this policy not blatantly discriminate against Crown corporations all across Canada in favour of private sector activity only? Given the thrust of economic development in the Province of Quebec, does this policy not particularly discriminate against the Province of Quebec?

[Translation]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I fail to see the contradiction mentioned by my colleague, for he is right to refer to the fact that, last November in the House, the Liberal Government was on the verge of sneaking Bill S-31 through, which would have had the dire conse-

quences you mention for all francophones in Quebec. The NDP and our Party closed ranks against the Liberal Government which was trying to massacre the francophones of Quebec through the Caisse de dépôt et placement. We fought together in this war against the Quebec Liberal machine which fraudulently attempted to harm Quebecers.

In any event, I do not think there is any contradiction between the policy you refer to and the legitimate desire of the federal Government to meet with its interlocutor, the Premier of Quebec, and try to find a formula under which Domtar might carry out its development project. Unfortunately, we simply cannot meet the original request, and that is that.

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● (1130)

EXTERNAL AID

CIDA—ELIMINATION OF \$25 MILLION PROJECT FOR AFRICA

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of External Relations. The Government's co-ordinator for aid to Ethiopia, Mr. David MacDonald, stated recently that Canada must do more than feed the starving. According to Mr. MacDonald, our aid policy will be useless unless the desert's constant advance can be stopped. However, CIDA is planning to cancel indefinitely a \$25 million project that would have used advanced Canadian solar technology to bring water to the surface and stop the desertification process.

My question to the Minister is as follows: Does the cancellation of this project represent Government policy?

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, we intend to maintain the programs that have been committed. We are now engaged in program review, and our main objective is to help development in developing countries.

Mr. Berger: Mr. Speaker, if that is the case, then how are we to understand a paper prepared by CIDA and dated February 5, which says the Agency intends to postpone indefinitely the regional program for new and renewable energy sources, partly because of budgetary cutbacks at the National Research Council? Is the Minister aware of the existence of this memo? If so, what were her instructions to her Department, and finally is the Minister prepared to promise before the House that the \$25 million program will not be cancelled?

Mrs. Vézina: Mr. Speaker, as the Minister responsible for CIDA, my responsibility consists in planning programs and announcing them, and I do not think I have any obligation to announce them here in the House.