

Adjournment Debate

From the Minister's reply we got the impression it was as though nothing had happened during the two weeks he was away. However, during that time, his leader, the Right Hon. Prime Minister (Mr. Mulroney), had given the House the assurance that he was going to look into alternatives for Domtar.

Mr. Speaker, I would like to give a short history of the Domtar case to show how badly the Minister has failed to understand what is going on. The Minister has no feeling for the interests of the region, the Province of Quebec or of this country.

Mr. Speaker, a project like Domtar which represents an investment of \$1.2 billion would mean that the Eastern Townships would be able to save nearly 5,000 jobs. We are talking about 700 employees at Domtar but we are also talking about 2,500 lumber producers and the very existence of the Town of Windsor, which is a single-industry town. Turning down a request just like that is patently irresponsible. It is intolerable for a region like ours which has been suffering from the structural weakness of its economy as a result of its dependence on "soft" sectors such as textiles, clothing and footwear.

Mr. Speaker, we have here an industry that is viable and that is viable this year. The Prime Minister is using this year's profits as an excuse to say Domtar does not need a grant.

Mr. Speaker, remember that in 1982, Domtar lost \$10 million. It was not making hundreds of millions in profits.

Remember that in 1983, it worked hard to improve its performance up to \$45 million. This year was reasonable, but considering the extent of Domtar's investments, Mr. Speaker, that is still quite good.

In any case, the pulp and paper industry is a cyclical one. When I see the Minister of Regional Industrial Expansion blaming the company because it is making a profit and telling the Eastern Townships: Well, you have a company in your region that is making a profit and we are certainly not going to help it. We are only going to help the lame ducks.

If that is how the Minister sees regional economic development, I think he should hand in his resignation "P.D.Q.". Mr. Speaker, to us, regional economic development means having profitable and viable companies. It means that the Canadian Government is willing to participate. This Government has been very fond of talking about partnership and the rest, but they are very reluctant to put their money where their mouth is. That mouth is now accusing the company of ulterior motives. They even want to use the profit concept to destroy Domtar's credibility.

They are even claiming the company is making threats. They even said, and the Hon. Member for Sherbrooke (Mr. Charest) repeated it, that Domtar did not present its case until January.

Mr. Speaker, the Minister of Regional Industrial Expansion received a letter from Domtar, at least a letter was sent to him, on the day he was sworn in as Minister, which was September 17 of last year. And now the Minister jumps up like a jack-in-the-box and says they do not accept ultimatums! But he has had the case on his desk for months! Of course he did not bother to share his information with his Cabinet colleagues or with his Quebec caucus. We know that they were kept completely in the dark about this project that is so very important to the future of Quebec's economy.

Mr. Speaker, today we are informed that the City of St. Paul in Minnesota is willing to offer Domtar 20 per cent of the grant amount if it decides to set up a factory there. I am aware of the Americans' underhand practices. The Minister of Regional Industrial Expansion (Mr. Stevens) said: We cannot subsidize Domtar for fear of antagonizing the Americans. But these same Americans are quick to take advantage of the situation and offer Domtar a substantial subsidy, much lower interest rates and guaranteed access to the U.S. market. And of course they offer the company a cheaper labour force, for we have back home some people who have faithfully served the company for 35 years. And all the Minister of Regional Industrial Expansion can say is: "I have made up my mind and I will not change my stand!"

● (1805)

Mr. Speaker, I had received from the Prime Minister the firm assurance that he would review the situation and I thought that I could take his word for it. I thought that when a prime minister made a formal statement in the house, that meant something. And I know that many of his colleagues within the caucus have lost their remaining illusions over these past few days. I hope, however, that the Minister will change his attitude and that his Parliamentary Secretary who is aware, I am sure, of the interests of both the province of Quebec and the region which are at stake will provide us with a more brilliant answer than her minister who knows nothing of the situation, nothing of the region's dynamics and nothing of the need to create employment opportunities within the Eastern Townships. I trust the Parliamentary Secretary will do a better job of it than the Minister himself.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I would like to start by thanking my hon. colleague for his question, and I shall be delighted to provide an answer.

First of all, it should be clear that the Government is fully aware of the importance of the forestry products industry to Quebec and Canada. This sector employs about 300,000 Canadians across the country. In 1984, shipments were estimated at some \$28 billion and exports at about \$15 billion. Incidentally, the industry developed its potential through private sector financing. They have never expected subsidies. In