

### *Export Development Act*

But the Mayor also confirmed that the financial offer by federal Transport Minister, Otto Lang is vague and promises "no specific amount"—

When it comes to Tasmania, Zaire and all the rest of those countries there is absolutely no squabble at all and the money is made available immediately. The article goes on to state:

Revealing details of last week's secret federal proposal for the first time, Steen said Ottawa has asked the province to earmark \$5 million of its five-year, \$10.2 million grant from the federal urban transportation assistance program to the project immediately.

There have been a number of delays, much procrastination and stalling on this. The mayor has been down here looking for aid for a large, needed storm sewer in Winnipeg, the construction of which would create thousands of man-hours of work. Just consider all the material that would be needed, and which could be purchased from eastern Canada and elsewhere to build this much needed storm sewer. This would certainly create a tremendous number of jobs in the Winnipeg area and in industry throughout Canada.

In an article in the *Tribune* of June 23 it is stated:

A motion to give the Winnipeg Chamber of Commerce the job of attracting industry to Winnipeg will go to city council with the shaky support of executive policy committee.

The six-member committee split on the proposal, with mayor Bob Steen using his second, tie-breaking vote to approve the motion four to three.

The council proposal would give the chamber a six-year contract to study proposed economic development in Winnipeg starting September 1 with the city funding the effort by giving the chamber \$200,000 a year. In Winnipeg we have continually to struggle to get storm sewers built, to get support for much needed projects, and struggle along trying to attract industry, while at the same time we are pouring billions of dollars out to other countries.

The hon. member for St. John's West referred to recent criticism by the paper mill industry in Canada. There was a rebuttal to charges made by Mr. Ian McGibbon, Vice-President of Finance for the Abitibi Paper Company. The article I have states:

An EDC spokesman said that the corporation would not make such loans if it meant providing a unique Canadian technology to a foreign country, thereby weakening a Canadian industry's unique position.

In the case of the loan to Bear Island Paper Co. for its mill near Richmond, Va., however, Canadian suppliers are competing with those in other countries that can produce similar equipment and also provide financing. If the services and machinery were not bought from Canada, they would have been bought elsewhere—

As the hon. member for St. John's West pointed out, that is a very strange rationale.

There are two factors involved here. There is criticism in respect of assistance in establishing paper mills outside Canada, and there is the clear indication that the EDC and the Minister of Industry, Trade and Commerce (Mr. Horner) are not consulting with the paper mill industry of this country. They make their rebuttals after they find out about what is going on outside the country. Mr. McGibbon pointed out that:

—one mill will produce the equivalent to half of total Canadian capacity manufactured by Abitibi at its Thunder Bay Provincial Paper mill and by Kruger Pulp and Paper Co. Ltd in Trois-Rivières, Que. It is a grade that is able

[Mr. McKenzie.]

to gain duty-free access to Canadian markets, although Mr. McGibbon is not suggesting the mill is being built for that purpose.

The Richmond newsprint mill will be larger than Abitibi's Thunder Bay mill, Mr. McGibbon said.

There is an open conflict there, and I am wondering why. In 1976 there was a special report compiled for the Minister of Industry, Trade and Commerce entitled "How to Improve Business-Government Relations in Canada". This was forwarded to the government in 1976. It suggested that the way to improve business-government relations in Canada is by consultation with industry. After reading the article I just quoted and referred to by the hon. member for St. John's West, it is obvious that these people are not working toward improved business-government relations in Canada.

The chairman of the task force that compiled this document in 1976, Mr. Roy MacLaren, pointed out to the then minister, the present Minister of Finance (Mr. Chrétien):

I have the pleasure to present to you my report "How to Improve Relations between Business and Government in Canada".

The preparation of this report has benefited from the part-time assistance of members of the Task Force on Business/Government Interface (established earlier this year) and from the contributions of senior public servants, a wide range of businessmen across Canada, and the staff of several research institutes.

This is a very noble approach, but it is unfortunate the government has not carried out its recommendations. This study no doubt cost the Canadian taxpayer the usual \$250,000, as most studies do, but, like most other studies, it has been absolutely ignored by this government. It is stated in this document:

The need for understanding and co-operation between business and governments in Canada must be evident to all those who believe that a mixed economy is the system best suited to Canada's current needs. Yet few today are satisfied with the state of understanding and co-operation.

That statement certainly is correct. There seems to be a complete lack of understanding and co-operation. We hear these continual complaints from small businessmen in Canada who are having such great difficulty obtaining financial assistance. We know about this by virtue of the number of bankruptcies taking place in the country today. The number is increasing at a terrible rate.

This report goes on to state:

The work of building greater rapport between business and government must be predicated upon clear commitment by both sectors. That work will necessarily be cumulative, with confidence begetting confidence. It will not be sudden; the structure will be built only by brick being placed upon brick. Concurrently, the yet broader task of developing tripartite understanding can be pursued upon a more certain basis.

This is a very interesting document which also points out the following about business perceptions:

We have reviewed the evolution of relations between business and government in Canada, suggested some future trends and noted some general differences in approach between Canada and other OECD member states. Let us now describe in more detail the varied flavour of current perceptions of governments by Canadian business leaders by quoting from our conversations with them:

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Co-ordination between governments and business is a prerequisite to the implementation of a successful approach to industrial development during the 1970s . . . but far too many contacts between government and industry continue