

[Translation]

FEDERAL-PROVINCIAL RELATIONS

QUEBEC—JOB CREATION—REQUEST FOR FEDERAL AID

Hon. Martial Asselin: My question is directed to the Leader of the Government. Last Monday, ministers of the federal government and ministers of the Government of Quebec met to discuss the latter's proposal to earmark \$300 million for saving small- and medium-sized businesses. The Quebec government's request was not exaggerated, considering the unemployment rate of close to 14 per cent in Quebec. As a matter of fact, the province must inject substantial amounts of money into the economy if it is to put small- and medium-sized businesses back on the track. However, Mr. Lalonde stated that in the future, the federal government will spend its money and the provinces will spend theirs. Could the Leader of the Government tell us what fundamental reason the federal government had to refuse to agree with the proposal put forward by the Quebec government to create a three hundred million dollar fund in order to help small- and medium-sized businesses? Could the Leader of the Government inform us whether this refusal is final? And could he inform us whether the minister may have meant that the parties had agreed on a mechanism for consultation instead of earmarking funds? Is this the beginning of the end of co-operative federalism as announced last week by Prime Minister Trudeau?

[English]

Hon. Raymond J. Perrault (Leader of the Government): Honourable senators, a question was raised in the other place yesterday and, in reply, the Honourable Charles Lapointe said:

We did not refuse to collaborate with Quebec... we indicated to our Quebec counterparts that a firm proposal had been made by our Minister of Employment and Immigration to create jobs in Quebec in the near future. However, the Quebec ministers preferred to play petty politics by leaving the meeting and announcing that we refused to help small businesses in Quebec. However, at the present time, our programs are able to help more than 7,000 Quebec businesses... We asked whether we could fit our programs in with the Quebec programs so that Quebec entrepreneurs and Quebec businessmen and women would be able to make use of our programs sooner and in greater numbers and more federal funds could be put to work in Quebec's economy.

Perhaps our colleague, Senator Olson, may wish to amplify on the statement by Mr. Lapointe or add information which may be available to him.

On the general question of co-operative federalism, the Government of Canada is co-operating in a very real way with the people of Canada in every province, district and region.

The Prime Minister has made it abundantly plain that, in some cases where generous federal aid is directed to certain provinces, efforts are made to denigrate the federal effort and to prevent the citizens of that province from gaining full knowledge of the federal contribution. Those days are over,

[Senator Perrault.]

but not the generosity of the federal government toward the provinces.

For example, the New Democratic Party in the province of Saskatchewan is condemning the Government of Canada for suggesting that there should be a new look at the Crow rate. I would yield on this point to Senator Argue, should he wish to add further remarks.

Hon. Jacques Flynn (Leader of the Opposition): You had better not.

Senator Perrault: This year alone the federal government is investing over \$600 million to assist grain farmers of the province of Saskatchewan and, so far, the New Democratic government of that province has invested mostly oratorical assistance to the farmers. I would welcome a statement by Senator Argue on this point.

Hon. G. I. Smith: On a point of order; how does the Leader of the Government justify the immediately-recent, lengthy and vigorous oration regarding the rule that requires brief answers to questions?

● (1440)

Senator Perrault: Honourable senators, I was asked a question on the important matter of co-operative federalism. I was challenged on that point by the Honourable Senator Asselin, and I find it rather strange that he has not objected to the reply which I have given, but that the Honourable Senator Smith, who is not interested in the question, is objecting.

Senator Smith: I am very interested in the question. The memory of the Leader of the Government may be good enough to recall that one of the honourable senators opposite and I engaged in some discussion on this point of order just a few minutes ago. At the very first opportunity the Leader of the Government has to demonstrate that he agrees with that point of order, and indicate that he will follow it, he abuses it.

Senator Perrault: Honourable senators, if I have offended the delicate sensibilities of the Honourable Senator Smith, I apologize.

I can assure honourable senators that this question of provincial and federal relations is an important question, so important that perhaps we should have a debate on the subject.

I cited just one example of what took place in the province of Saskatchewan, where the government was unfairly attacked by a provincial government that knows better.

Senator Smith: Honourable senators, I just want to say that it was not my sensibilities that were offended by the action and conduct of the Leader of the Government a moment ago; it was the sensibilities of this house and the rules of this house, and parliamentary rules generally, that were offended, as well as the sensibilities of honourable senators opposite who are equally interested in following the rules of order as I.

[Translation]

Senator Asselin: I have a supplementary for the Leader of the Government, to obtain further details. Could the Leader of