

*The Budget—Mr. Joyal*

social worker, maybe even before being a representative in Parliament.

Indeed, several among us have to deal daily with a population that requests services, and needs easy channels to communicate with the government whose administration, as we all know, is getting ever more complex.

On the other hand, I would like to comment on certain remarks of the previous speaker who severely criticized today those who studied at the London School of Economics.

Like the leader of the New Democratic Party (Mr. Broadbent) and the right hon. Prime Minister (Mr. Trudeau), I am a graduate of the London School of Economics, and I can assure you, Mr. Speaker, that the teachings of this school are not such as described by the previous speaker. On the contrary, if he had asked more questions of the groups who have already taken part—

**Mr. Rondeau:** On a point of order—

**Mr. Deputy Speaker:** The hon. member for Shefford rises on a point of order.

**Mr. Rondeau:** Will the hon. member allow a question?

**Mr. Joyal:** Mr. Speaker, I shall certainly be glad to reply to all the questions that the hon. member wishes to ask once I have finished my comments.

I would however like to note also certain comments of the leader of the opposition (Mr. Stanfield) who said this afternoon that members from Quebec were particularly silent and did not really defend the interests of their province.

● (1700)

In fact, Mr. Speaker, the present economic situation in Quebec shows disquieting signs generally and in some areas, they are really disappointing. The population in Quebec has not grown satisfactorily compared to neighbouring provinces. The birth rate has dropped by half and for the first time since the end of World War II, there was a net immigration in 1970 and 1971. In 1970-71, there was a net immigration of 382,000 people in Ontario compared to 75,000 people in Quebec. For the first six months of 1974, 29 per cent only of immigrants are French speaking.

The second sign I am concerned about, Mr. Speaker, is the difference between the individual incomes in Quebec and those of other Canadians. In fact, far from decreasing, it has even increased.

The increase in the Quebec labour force in the last ten years is below the Canadian average. Indeed, Quebec's share in Canadian employment is slightly below its share of the population, which accounts for a higher unemployment rate than in Canada as a whole. Further, the quantity and quality of available capital has been below the national average.

Investments grow faster in Quebec than in Canada only in the primary industries, the institutions and the public sector. Despite recent improvements, the growth in the manufacturing industry, trade and utilities is still too low compared to the country as a whole. Productivity per employed person is still lower in Quebec than in the rest

[Mr. Joyal.]

of Canada. The main reason for a slower growth in production lies in the very structure of Quebec's economy. Two-thirds of the Quebec labour force are employed in the production of non durable goods. All these meet essential needs, but they represent a rather stable market and especially a slow growth one. Sectors like the textile and the leather industry, which are important in Quebec, face stiff competition.

Demand from countries which have been traditional clients for Canada in this segment tends to stabilize, while nations that export these goods bring tremendous pressure to bear on the Canadian market in order to increase their exports. It should be difficult, Mr. Speaker, to balance such losses since the share of industrial labour in fast-growing industries, such as smelting and metal processing, transportation equipment, electrical equipment and machinery, is slightly more than half the percentage in Ontario. But the markets for Quebec goods are only half the size of those in Ontario, where the proximity of the American interline has considerable influence on the supply of goods produced in Ontario.

Because of lower production and revenues in Quebec, and differences in the production structure, the ability to pay tax per capita is lower than in Canada as a whole. Because of this, the tax burden is higher in Quebec and consequently heavier.

Quebec still produces only 61 per cent of its food needs. The Quebec farm production represents only about 13 per cent of the total Canadian production. In addition, some industries that are important to the economic structure of Quebec are in a very difficult situation. The lumber industry, for instance, has been heavily hit by lay-offs, in spite of a potential that could support twice its current production. Employment in the fishing industry is stationary. The mining industry is holding its own even though the depletion of resources is being felt in some areas. The manufacturing industry is also having problems.

The relocation of employees from hardstruck industries to expanding industries is slower in Quebec than elsewhere. Indeed, only the services sector has shown real signs of dynamic growth, both in employment and in production. Now, Mr. Speaker, if the economic forces at work in Quebec remain the same, we cannot hope to see any improvement in the situation in the near future. If present trends in the Quebec economy do not change, clearly Quebec will not be able to improve the quality of its participation to the national economic progress, nor will its resources achieve the degree of development to be wished for if the living conditions of its citizens are to improve.

● (1710)

Despite concerted efforts since the establishment of the Department of Regional Economic Expansion in 1969, it is essential for the federal government to give priority to the definition of measures designed to correct that structural shortcoming at the roots.

Moreover, Mr. Speaker, taking into consideration the report tabled by Messrs. Mountain, Higgins and Reno in 1969 on the growth poles of the Quebec economy, we realize that the Montreal region is experiencing a serious setback. Indeed, in most fields, the amazing progress of