

The Budget—Mr. Faulkner

dilemma, though it will not meet with the approval of the Prime Minister and his colleagues, is a relatively simple one. We should insist that the original constitution be followed, that Ottawa and the provinces assume their designated responsibilities and jurisdictions, or in short, reinstate that which was functioning very well and very smoothly in 1939. It is not often by turning back the clock to 1939 that we can go forward in 1978. In fact, if we followed this course, the separatists would have no planks in their platform, and the crippling and inept Ottawa bureaucracy could be dismantled gradually for the enduring good of all Canada.

The Minister of Finance said that he cannot be held responsible for providing employment. I ask him why not, since he and his colleagues are responsible for creating unemployment. The direct result of the government's mismanagement of the economy is higher interest rates, and higher interest rates are the basic cause of inflation or the increase in prices of everything we use. Higher interest rates automatically destroy the profit system, private ownership and private enterprise. The course followed by the present administration for the last ten years rapidly increased our federal debt. In fact, it costs more than \$8 billion a year just to pay the interest charges on our national debt.

The Acting Speaker (Mr. Turner): I regret to interrupt the hon. member but his allotted time has expired.

Hon. James Hugh Faulkner (Minister of Indian Affairs and Northern Development): Mr. Speaker, I will attempt to approach this matter in a non-partisan way and resist the temptation to comment on the frightful speech of the hon. member for Fundy-Royal (Mr. Corbett). I will resist the temptation to say how much I regret that there has been a change in the member representing that constituency. The previous member who represented Fundy-Royal was a man who added a great deal of distinction to the House. I will resist that temptation and simply deal with a part of the budget which is of great interest to an area of the country for which I have some responsibility.

● (1552)

A week ago when the Minister of Finance (Mr. Chrétien) spoke in this House about the economic outlook, his analysis necessarily dealt with the general indicators and the country's performance in the broadest context. My purpose today is to describe the promise that the budget holds for one region of Canada, the northern territories, and, more important, the tenacious people who find their livelihood there.

My colleague, the Minister of Finance, spoke of the renewed faith that Canada can launch itself on a new phase of sustained expansion, more investment and new opportunities. My purpose today is to show how this budget in fact answers some of the very important questions about expansion and development in the north and reinforces other initiatives that have been taken by myself and other members of this government who have a concern about the future of the north. The budget announced by my colleague last week recognizes the impor-

[Mr. Crouse.]

tance of northern development to northerners and to southerners as they consider what the north means to them.

Since I became minister of northern affairs a little over a year ago, I have travelled extensively, as have my two very distinguished parliamentary secretaries, one of whom is here today, and listened to the people's concerns. In the early months I became increasingly aware of the apprehension and uncertainty they were feeling about the pace and direction of development. Decisions surrounding a northern gas pipeline intensified those concerns both in areas which will share directly in construction of such a pipeline and in areas which will not.

The decision to build a pipeline through the Yukon left in the minds of many people in the Mackenzie valley an evaporating sense of expectation. For the Yukon, the decision meant an immediate acceleration of planning and preparation for the economic opportunities and social complications that will be superimposed on that territory when construction begins.

Last January I spoke to the opening session of the Northwest Territories Council about the policy framework in which decisions must be made to govern these and other activities in the years ahead. In my view, development must be for the north and not of the north. We must distinguish between economic growth and development. Any activity which gets its labour, capital and materials mainly from the south contributes to growth, but not necessarily to development. This is even more true when the product goes south, leaving a residue of social dislocation with nothing to compensate for it. Priority must go to those activities which are, by their very nature, capable of making direct and ongoing contributions to northern residents.

We must always strive in the north to achieve balance—balance between renewable and non-renewable resource development, between conventional wage employment and activities which support the traditional native economy, between externally generated development and that which comes from within. There must be balance in meeting the need for native people to protect their future and their past, balance between using the land and resources and conserving them, balance between protecting the environment and developing the available natural resources.

We must seek to provide every northerner with the opportunity to apply his skills in meaningful areas that use the resources available to him and allow him to make a contribution to the common well-being. Freedom is choice, and choice demands both opportunity and capability. Northerners have a contribution to make not only to the future of the north, but to the health and vitality of Canada. In this regard native people must be equipped to make a viable choice between following their traditional way of life, entering the mainstream of Canadian society, or a compromise involving the best features of both. To reach this objective, we will have to encourage meaningful development in every economic sector.

I have established a set of criteria consistent with those objectives to guide us. First, economic development must take the needs of northerners fully into account. It must be attuned