

that could be taken by the Government to do something for regional development.

This Government is clearly committed to regional development as a part of the just society, I should like to review for a moment what action might be suggested within those five initiatives for the Prairie Provinces and, I hope by reference to other regions, what might be achieved to overcome regional disparities.

In the first initiative the Government wants to reduce regional disparities. I think they could start with the tariff policy. I have heard that one of the ways in which the tariff policy should be handled is to have a regional tariff policy instead of a national tariff policy. I do not believe that is workable. I do not think that could be done. Consideration could, however, be given to a North American free trade area. That would be difficult but it could be made to work, and the benefits would be enormous. In any event, the Government should apply continued effort to the reduction of trade barriers on a multilateral basis, and the Government should investigate every aspect of our industry to see if trade pacts, such as the auto trade pact, are possible.

The auto trade pact was agreed upon in order to put an end, if possible, to the enormous foreign exchange imbalance that existed in the automotive industry in trade between the United States and Canada. The Government said they would create free trade between the United States and Canada if the automobile companies would increase their Canadian production. The result was that the automobile companies were required to increase their production in Canada, and they did. A number of plants were built. Two main plants were built by the major automobile producers. One thing that interested me was the fact that both those plants were built in the central provinces, Ontario and Quebec. Automobiles sold in Winnipeg are not bought from Canadian plants under the auto trade pact; they are bought from plants in Kansas, Minneapolis and Omaha. In short, those two plants built by the automobile manufacturers could have been almost anywhere in Canada. If we are talking about trade pacts, let us make sure that the benefits of the trade pacts are spread across the various regions of Canada.

The second initiative the Government talked about in the Speech from the Throne was that we should allocate a greater proportion of our revenues to overcoming regional disparities. I think that could be done by giving consideration to the regionalization of

government undertakings. I am thinking specifically of government departmental regionalization. The Speech from the Throne talks of a Canadian International Development Research Centre. That is a great thing, but I hope that when deciding on the locus of that centre consideration will be given by the Government to all the regions of Canada and not just one or two.

Government purchasing could be put on a wider basis so that the regions of Canada enjoy more government purchasing. If honourable senators do not think the Government could not do a great deal for regional industries by its purchasing, then I suggest they look at the Sears-Roebuck example in the United States and what they have done for regional industrial development through purchasing. The Government could encourage the development of service industries in the various regions of Canada. Today, service industries are providing the greatest growth and the greatest employment of any segment of industry, and the Government is influential in certain areas of the service industry. Service industries do not just deal with people in the community. They are in effect exporters, and can deal with people outside the community. In the areas of tourist development, medical centres such as Rochester, computer centres that can be on line to any place in Canada, or gateway airports, the Government could do a great deal towards the regional development of service industries.

The third initiative the Government talked of was the improvement of natural resources marketing. The development of natural resources should be and is, of course, a real concern of government. We should be willing to pay extra for the foreign exchange that is developed by resource industries. We accepted that theory in the auto trade pact. We are going to hear about our tax policies in the White Paper on Taxation. Our tax policies should encourage development of our natural resources. It may be well and good to say that the natural resource development companies are getting a good deal, but if they do not get a good deal they will develop other countries before they develop Canada. The Government should help fragmented industries that are producing natural resources, and I am talking of farm industry and the fishing industry, with direct assistance. That assistance should be product research in order to make sure that its products are those that are required by the market; marketing assistance; and rationalization of the uneconomic units in that type of industry into economic units.