

*Government Orders*

**Mr. Fisher:** That was 1972.

**Ms. Campbell (Vancouver Centre):** It was 1975 and in fact it was a very accurate outlook.

The Prime Minister, like many people in this part of the country, had originally taken the view that free trade would be a disaster. Like most people in central Canada, his first instinct was to protect the central Canadian economic base. But part of the greatness of the Prime Minister is reflected in his ability to rethink and re-evaluate his own views.

When the Macdonald Royal Commission came down with its report and strongly recommended that the Government of Canada negotiate a free trade agreement with the United States, the Prime Minister had the kind of integrity to re-examine his own views and to recognize that in fact his previous views of hostility toward a free trade agreement may in fact have been wrong. Perhaps there was a broader national interest that could better be served by liberalizing trade with the United States.

• (1740)

People who opposed the free trade agreement used to like to say: "Well, 80 per cent of our trade with the United States is already tariff-free." That is a very misleading statistic, because that was 80 per cent of existing trade. How much trade could there have been? How would the volume of trade be affected by reducing tariff barriers?

In my own province, the reason British Columbia governments of all partisan stripe have been opposed to the national tariff policy is because, as a country with resource industries, we found that we could sell our unprocessed raw materials into the United States without a problem, but, as soon as we began to add value to them, the tariff barriers went up.

It is very hard to carry, for example, a 19 per cent tariff barrier on processed zinc and still remain competitive. Therefore, there was no trade in processed zinc between the United States and British Columbia. Therefore, the potential of a trade in processed zinc never entered into the calculations when people talked said: "Well, 80 per cent of our trade is already tariff-free." That 20 per cent that was not contained within it has the potential for enormous growth and development.

It is very interesting that since the implementation of the free trade agreement and since this government has come to power, British Columbia is one of the economies that has taken off. With those barriers beginning to disappear, people want to invest in British Columbia and bring in value-added production. My part of the country owes a great deal of gratitude to the courage of Brian Mulroney.

Not only is it the free trade agreement, but it is the approach of this government to regional economic development. The western diversification program is one of the most effective programs for economic development that the country has ever seen. It is a program that suits the sense of fiscal conservatism in western Canada. We are very close to our pioneer roots in western Canada. We do not like a lot of waste in government spending and I will come back to this in a moment.

Grants from the Western Diversification Fund are almost all repayable. About 75 per cent of them will be repaid to the Government of Canada. The leverage of western diversification funding to private sector funding is one to fifteen. I challenge any government in the world to find that kind of productivity. That means that, for every dollar of public funds that goes into a project, \$15 of private sector funding comes along with it.

The western diversification program is non-partisan and non-political. I meet many recipients of western diversification funding. They are enormously creative and able people who just need a leg-up in developing new markets and building prototypes to begin to get sales. They tell me that when they take a western diversification approval to a financial institution it is enough for the financial institution to grant them funding, so valued and so admired is the vetting process of western diversification.

It is a program designed to meet the specific needs of western Canada which, for so long, has struggled as hewers of wood and drawers of water, reapers of grain, and diggers of minerals, but without the opportunity to diversify that potential and without the ability to insure itself against the vagaries of the fluctuations in prices of international commodities. This is a luxury which people in central Canada have enjoyed for a very long time, but something which is not part of the western experience.