

Speech from the Throne

Why does this discontent exist? When this country was developing, the tariff policy, the national policy, decreed: We must protect our new industrial heartland and make it grow. To the west, the Maritimes and the north was given the task of agricultural and mineral and resource development. Maybe that made sense 100 or even 70 years ago. However, for too long now the sacrifices of the people beyond the major centres of central Canada have been disproportionate. The national policy of 100 years ago is out of date. Yet tariff policies, transportation policies and agricultural policies, or the lack of them, remain basically the same.

To those of us from the Prairies and, I suspect, equally to those from the Maritimes, the continuation of these policies appears as an outdated attempt to preserve special advantage, an attempt to hinder the development of the areas which need it most. All too often when there is a major economic adjustment it seems to benefit those parts of the country which already enjoy abundant growth, and injure the parts where significant growth is still to come.

The western farmer is confused, frustrated, and angry. Until recently the federal government was telling him to grow all the wheat he could, promising a high price for it. Then he was told to turn his wheat land into summer fallow. On paper, his farm equipment may be worth up to \$100,000 or more, but he is forced to barter, borrow or bootleg grain for lack of ready cash. This frustration and anger is not limited to wheat producers. Our dairy farmers, too, are paying the price of an unfair quota system which militates against the western Canadian dairy industry.

Moreover, the western consumer pays higher prices for many manufactured goods than does his eastern counterpart, and higher prices than his American counterpart below the border. He looks at the auto trade pact, for instance, and wonders why no new plants came to western Canada, why new car prices were not reduced for the western car buyer, why no new jobs sprang up in the west as this rationalization of our auto markets and factories took place. He becomes even more aggrieved when he notes that just south of the border there was such an improvement in Minneapolis, that new plants were built in St. Louis and Kansas City to assemble Canadian-made auto units, and that new plants were also built in central Canada.

• (2100)

The small western Canadian businessman finds it virtually impossible to raise capital through private or public sources to expand his businesses and industries when at the same time well established eastern corporations and multinational corporations wishing to locate in the west and central Canada have little or no difficulty in obtaining the requisite amount of capital. The westerner becomes frustrated at the sure knowledge that despite his efforts there is going to be no change in the current situation where 19 out of 20 major Canadian corporations locate their head offices along the Montreal-Toronto axis in the golden horseshoe of eastern Canada.

Western Canadians are most anxious to maintain the standard of services available to their people at a level comparable to that attained in the rich province of

Ontario, but once again there is frustration because the ability of the west to finance socially required government services is severely curtailed by its narrow tax base.

When, for example, we raise our personal income tax by one percentage point in Manitoba, this produces about \$1.89 per person. In Ontario, the same income tax rise would produce \$3.14. When we Manitobans raise our corporation tax one point, it produces \$1.82 per capita; the same tax increase would produce \$3.40 in Ontario. We have to almost double our tax increases to obtain the same per capita revenues that are achieved in Ontario with half the increase. Equalization grants compensate to some extent, but they have the inherent disadvantage of being based upon fiscal capacity rather than fiscal need. To oversimplify, equalization formulas are based upon equalizing the amount of revenue per capita raised rather than upon equalizing the kind of services provided.

Thus, the western Canadian farmer, small businessman and factory worker see taxes go higher to pay the costs of services which need new economic growth to support them, and this new economic growth is not there. Western Canadians see their children move out to the new industry which is growing up in Central Canada right beside the old industry that was there before, and towns and villages become ghost towns.

The westerner sees the lack of a national transportation policy, combined with the existing highly discriminatory freight rates, preventing western goods from competing in eastern markets. He sees the tariff system which shelters eastern manufacturers while forcing western Canada's wheat, forest products, potash, nickel, oil and gas, to be sold at competitive prices in a world market. And he sees the blatant discrimination inherent in the prevention of western oil and gas from being distributed east of the Ontario-Quebec border because of a commitment to purchase these products from American-dominated Venezuelan wells.

Would 1 cent per gallon more be too high a price to pay for the development of a valuable Canadian industry? If westerners are forced into paying higher prices for goods manufactured in the east, and effectively prevented from buying similar goods across the border by protective tariffs, surely the east can reciprocate in some form such as aiding the development of western economic potential by paying a bit more for their fuel.

I could go on indefinitely outlining areas where the federal government has mismanaged, less from incompetence than from a simple lack of interest, the western region. I have not yet mentioned the cost-price squeeze for westerners created by the anti-inflationary controls imposed by the federal government to cool the economy in the prosperous, free-spending parts of Canada. I have not spoken of the problems of rural depopulation and resettlement resulting from the encouragement of agribusiness by governments insensitive to the different cultural and social values of the west.

Even in the field of entertainment the western Canadian is confronted with evidence of an insensitive eastern Canadian attitude. The CBC, our public network, supposedly dedicated to the fostering of national unity, has so concentrated its production facilities in the east that west-