

*Western Economic Diversification Act*

business is not going to have a chance, that it is going to be left out in the cold. He is saying that the only way to achieve western economic diversification is to involve the small business sector, on the ground that it is the small business sector in this country that creates jobs—and certainly, that is something with which all Members of this House can agree. In my view, Bill C-113 does exactly that. Through the Western Economic Diversification Office, funding will be funnelled to the small business sector.

Having listened to the remarks of the Hon. Member in this respect, it is obvious to me that he has not read the legislation. Perhaps he could tell the House why it is he feels the small business sector is not going to be involved.

Mr. Speaker, for the first time in the history of Canada, a full Department of the federal Government will be located in western Canada. The head office, to be located in Edmonton, Alberta, will house the deputy minister, the assistant deputy ministers, and the administrative infrastructure of the Department. The full departmental infrastructure will be located, not in Ottawa, but in western Canada, the part of the country which will be affected by this legislation and the decisions taken under it. In addition to the head office being located in Edmonton, there will be sub-offices in each of the remaining western provinces.

Clearly, that is a departure from the traditional way in which programs aimed at western Canada have been handled. If locating the head office of this Department in Edmonton, Alberta, with sub-offices in each of the remaining western provinces, is not a step in the right direction, I would ask the Hon. Member for Regina East what he would propose in its stead.

**Mr. de Jong:** Mr. Speaker, I thank the Hon. Member for his questions. I laud the decision to have the head office of the Department of Western Economic Diversification established in Edmonton, with sub-offices in each of the prairie provinces. We have yet to see, however, how effective those offices will be, and the degree of decision-making that will in fact take place in those offices.

We know that, with this Government, there is a great deal of smoke and mirrors. It is little wonder that we are concerned. We are not the only ones who are concerned. The Canadian Federation of Independent Business, in its brief, expressed the same concern.

**Mr. Shields:** That was a brief that was submitted prior to Bill C-113 being introduced.

**Mr. de Jong:** That Federation, in its brief, raised a concern about the “narrow and highly centralized approach to diversification, with continued emphasis on megaprojects and traditional resource extraction and development.” It also raised a concern about there being a “political slush fund to support vulnerable constituencies to lure in big business, or to bail out obsolete industries, in the hopes of gaining short term political profile”. We are left to wonder how much clout these regional offices will have.

One objective of this legislation is that the Western Economic Diversification Office will function as an advocate for

western Canada, to attempt to influence the decision-making by the federal Government, such that the concerns of the West and the impact of economic decisions being made here in Ottawa that will impact upon the West, will be known to the Government.

That is certainly a laudable objective, and one about which I make no criticism whatsoever. But, I certainly hope that that office is now telling the Minister of Finance (Mr. Wilson) of the effects that his high interest rate policy is having on the producers in the West, particularly those in the red meat industry. I certainly hope that the Western Economic Diversification Office is already active in talking to the people in the Department of Finance in terms of the effects and the impact of the current high interest rate policy on western Canada.

Perhaps the Hon. Member for Athabasca can make it his business to ensure that that office is in fact talking to the Minister of Finance about the impact of high interest rates on the farming community in western Canada.

The Hon. Member has expressed the view that this debate is preventing various applications under the Western Economic Diversification Program from being acted upon. He cited the example of a small business person who has devised a new piece of equipment for the handling of grain, a piece of equipment that the small business person wishes to manufacture and market in western Canada.

From the description given by the Hon. Member, certainly that sounds like the kind of entrepreneurial effort that the Western Economic Diversification Program should be supporting. Here we have a small business person, a person with mechanical experience and know-how, who has brought about an improvement on existing equipment, and certainly he should be supported in developing a market for that piece of equipment.

• (1220)

There are farmers like that in my own constituency. When I go to the farmyards and look in their garages, I see that they have tinkered and improved upon existing equipment. I know that if it were left to the big equipment producers, that technological innovation would never occur. It is the small scale entrepreneurs who will ensure that those new improvements and technologies will indeed be actualized.

The reason given to this individual that his application had not been approved was that the legislation has not been passed. I wonder if this person is not really being given the runaround. The lack of passage of this legislation has not stopped the diversification office from committing some \$75 million to a soil erosion program or from granting some \$5 million to potash marketing. It has not stopped the diversification office from granting some \$9.5 million to a Japanese pulp mill nor for making some commitments to B. F. Goodrich for a petrochemical plant. Perhaps it is the big guys who have already found their way into this fund, but it is the small guys like the one the Hon. Member for Athabasca (Mr. Shields) has pointed out who are still standing at the door being given the runaround.