

*Speech from the Throne*

longer. This is one more problem for the Department of Finance, the inhabitants of which department are thoroughly imbued with the philosophy of tax neutrality and a number of other dinosaur philosophies inherited from the 1930s, and the Keynesian and London schools of economics. It is time there was a little fresh thought in that department. If we are to get Canadian ownership of Canadian industries and companies, there has to be some encouragement. There certainly cannot be the discouragement as there is now because of our present tax policies.

Another great concern at the moment is the outright, wholesale selling of our raw materials to be processed in the United States, West Germany, Japan and other countries. This problem has arisen time and again in Canadian history. It arose after World War II in Ontario when our pulp and paper was being processed in the United States and being sold back to us. The thing that elected a Conservative government at that time under Hon. George Drew was his policy of assisting companies in Ontario to process pulp and paper in Canada so that we would not need to have it processed elsewhere and sold back to us. In my view, the government should immediately assess what raw materials can be economically processed in Canada at this time. It should determine whether they can be semi-processed or completely processed, with the finished product being competitive in foreign and home markets.

Appropriate tax incentives must be provided to get these new industries under way and provide working capital. The Industrial Development Bank has been a mess as far as helping people in Canada is concerned. The Industrial Development Bank should provide adequate working capital. Perhaps the government might go so far as guaranteeing loans to commercial banks to provide working capital for these new industries. These things are essential.

We must take immediate steps to have our raw materials processed in Canada. I am not advocating that we process products that are not economically feasible. We must look into this question. Something must be done to process raw materials which can be processed economically and be able to compete in world markets, rather than have them processed in some other country and sold back to us. That is the first point. In order to encourage investment in Canadian industries and businesses, the government should provide some kind of tax incentive and tax concession in this regard. I merely suggest that one of the ways this can be done is by a reduction of the capital gains tax if the money is invested in Canadian industries for a period of more than three years.

These are positive suggestions. I think most people in Canada are sick to death of hearing the carping of members of political parties without hearing any suggestions. These things can be done. They are feasible. I hope the Minister of Finance (Mr. Turner) or his assistants will have an opportunity to examine these suggestions and do something about them.

**Some hon. Members:** Hear, hear!

**Mr. Doug Rowland (Selkirk):** Mr. Speaker, I want to devote the time available to me this evening to the discussion of the phenomenon of western alienation. Over the past two or three years western alienation has become a favourite topic of eastern newspaper columnists. It has

been credited with being one of the major factors in the outcome of by-elections for this House held in the west of Canada in which opposition members have been returned. There have been manifestations of western discontent in this House during the course of the consideration of legislation relating to agriculture especially. However, the phenomenon as such has not received any great attention from the House, a fact which does little to diminish feelings of alienation in the west, and I think the time is long past when some such attempt should be made.

I hope that hon. members from other parts of the country will not think of me as being parochial because I intend to dwell on this subject. I consider the phenomenon of western alienation to be of sufficient magnitude to have the potential of profoundly affecting the course of this nation and, therefore, to be fully deserving of the close attention of each and every member of this House, no matter what his point of origin. At this point I should interject that, while my remarks are focused generally on the three prairie provinces, I make no claim to their being a homogeneous western region. If anything, with the development of more mature and diversified economies it is more difficult to decide where the west now commences and where it ends. Some of my remarks, for example, may well apply to British Columbia or other provinces.

I embark upon this project with some trepidation because while in some areas, such as tariff policies, transportation policies and agricultural policies, westerners have succeeded in defining in a reasonably clear and concise manner their aims and objectives, in many other areas westerners' searches for solutions to their problems are characterized by uncertainty and ambivalence. Indeed, in many ways the major unifying factor in the statements of the many westerners who have attempted to define the reason for western alienation is the sense of frustration and anger at what is perceived to be lack of concern and understanding for the west and its problems by central Canada.

In some respects westerners find themselves in a position similar to that occupied by Quebeckers in the first two or three years of the sixties. May I say here that I use this analogy deliberately and that I will be drawing further parallels to the Quebec situation as I progress. I say "similar to the position of Quebeckers in the sixties" because western society has undergone an immense change just as Quebeckers did in the sixties. We may have been slower in coming to the realization that that change had taken place, but it is a change of similar magnitude.

• (2050)

While old problems affecting tariffs and transportation and agriculture remain, there is a new west, an industrial west, and westerners are still in the process of adapting themselves to the changes inherent in industrialization and are still seeking to define the new relationship with the rest of the country that these changes necessitate. Thus, I suspect that westerners for the next year or so will find themselves in the same exasperating and frustrating position as that in which Quebeckers found themselves in the early sixties when everyone was asking, "What does Quebec want?" Undoubtedly, many confused easterners are now asking themselves, "What does the west want?" It is only a question of time before that cry, sometimes