

Western Economic Diversification Act

federal expenditures decline in the Conservative years. So much for the hopes of western Canadians.

Western Canadians also recognize that this Government has ignored western Canada agriculture and the crisis that faces the farmers back home.

Mr. Malone: Oh, oh!

Mr. de Jong: The Hon. Member laughs. Indeed, the Government did come up with \$1 billion just before the Saskatchewan election. What it took was the Premier of the Province of Saskatchewan, a friend of mine, phoning up during the midnight hours from a little motel in rural Saskatchewan, in Calvinton, his buddy Brian and saying: "Brian, for gosh sakes, we need something or we are going down to defeat".

Mr. Nystrom: He was pleading.

Mr. de Jong: Pleading, indeed. In fact, the Deputy Premier of Saskatchewan had to fly to Ottawa to make the Conservative Government aware of what was happening in western Canada. He explained the desperation that farm people were finding themselves in and the growing anti-Conservative mood in the West.

Thus the Prime Minister (Mr. Mulroney) of the country said: "Well, Grant, you have done me a lot of favours. We are going to have to do one for you, I suppose. Sure, we will allocate \$1 billion". Certainly that money was appreciated in western Canada. It came in the nick of time to save some farm families. But what a way to run public policy. Is it going to be just political pressure that creates the farm support programs that are so desperately needed? Is this the type of leadership and intelligence that Canadian farmers can expect from the Conservative Government that claims to be the friend of the West and the friend of prairie farmers?

● (1200)

I suggest that it is a disgrace. Western Canadians know this, and they do not trust the Government. While the intention of the legislation in front of us to develop the Western Diversification Office sounds good, there are some very critical observations that must be made. First, despite the Government's claim that there will be more than \$1 billion in new money over five years, over and above the existing money that flows to western Canada, it seems as though everybody has some difficulty pinning this down and demonstrating that indeed this is new money.

The Western Diversification Program takes over from four existing programs, the Industrial and Regional Development Program, the Economic and Regional Development Agreements, ERDAs, the Western Transportation and Industrial Development, and the Small Businesses Loans Act. We cannot find out, and the Government certainly has not been able to tell us, how much of those moneys that presently flow to western Canada will be folded into the Western Diversification Office. The Government has not been able to prove its case

that the Western Diversification Office will mean an extra \$1.2 billion flowing into western Canada over and above what presently flows into our region of the country.

There are some other criticisms as to the design of the program. We are concerned that the program is completely private. There are few public and private initiatives. For example, the municipal infrastructure cannot be funded through this program. The needs in the West also include building our municipal infrastructure. The fact that this program ignores this area is a major flaw.

The second item of concern to us in terms of its design is that it is very trade oriented. We understand that some projects that have been approved for funding under the Western Diversification Office had to be examined by External Affairs because of the potential countervail that might be imposed because of government assistance on those programs. We also wonder what effect the free trade agreement will have on the Western Diversification Office, and the ability for western Canada to diversify its economy and to develop a viable economic structure.

The history of the West has been that the only way that we have been able to economically survive is through a strategy that involved public, private, and co-operative endeavours. Western Canadian farmers could not have survived if it was not for the Wheat Board, the wheat pools, the credit unions, and the marketing boards. It is through collective and co-operative action that the farm economy has been able to survive during these years, and made western Canadian farmers one of the most efficient producers and marketers in the world. The American farmers are envious of what we have in western Canada and what we have been able to develop and evolve. We have been able to evolve it not through the reliance on pure market forces, but we have been able to develop our agricultural sector through a combination of public involvement, co-operative and private efforts, a mixed economic approach.

Under the free trade deal negotiated between our Prime Minister and the President of the United States, I suggest that that option will no longer be there for us in western Canada. The option of using a mixed economic approach of the public, co-operative, and the private sectors is no longer available to us as Canadians. This agreement forces us to depend entirely upon a private sector market driven economy. As such, it is dangerous to western Canada. Indeed, it cuts off an option that has been successfully used in the past.

The Hon. Member for Athabasca (Mr. Shields) was critical of the NDP House Leader using the example of the Canadian Federation of Independent Business and its critique of the Western Diversification Fund. Yet, despite the objections of the Hon. Member for Athabasca, the objections are sound that were contained in the brief presented to the Minister by the Canadian Federation of Independent Business and reiterated when a representative of that association appeared before the committee.