

*Economic Development*

**Mr. Gilchrist:** You and I will be back, Mr. Speaker, to examine the record of another seven months of Liberal government. We will then be able to compare seven months of the Liberal government against seven months of the Conservative government. We will not mention that the Conservative government under the right hon. Leader of the Opposition (Mr. Clark) had to start from scratch. I have made these strong indictments in the hope it will shame or inspire the government to far better efforts for the good of Canada. We will just look at the seven months' record, and I will bet one hundred of highly inflated Liberal dollars after tax on the record of the big C. If you take that bet, Mr. Speaker, you will lose.

● (2040)

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of State, Mines):** Mr. Speaker, it is my pleasure this evening to address some remarks to the allegation that the government has failed to develop a coherent economic development program. I should like to refer to a speech made by the Prime Minister (Mr. Trudeau) on February 12, 1980, in Toronto. He stated that the Liberals would capitalize on Canada's energy base in order to build a world competitive industrial sector.

One of the first things necessary in order to have a strong industrial base is to have a strong central government. In the last few years we in Canada have seen our federal administration gradually lose its power. This has been a source of a very, very high degree of concern to most Canadians. It has led to things such as one province stating to other provinces that it will restrict tradesmen and workers from coming into its jurisdiction offering their services for available jobs at any given time.

It would seem that also it is the intention of energy producing provinces in this country to maintain a large portion of the energy revenues they are able to obtain. I for one would not, nor would the government, ever begrudge energy producing provinces obtaining a large return on their energy resources. It is important that these provinces and areas that have depleting resources are in fact able to keep the momentum of their economic development going by widening the scope of the development of their future. However, it is also important that the government not accept producing provinces retaining vast amounts of energy and resources which would restrict other sectors of the country from obtaining a fair share of the economic activity and from in fact remaining viable producing regions of the country.

Let me take the case of Alberta. Certainly there is no resentment by the government or by myself that this province should be, for instance, the wealthiest province per capita and per resource income in the country. This is not a factor. Certainly no one in the government or on this side of the House would ever suggest that the economic surge of the west should be in any way impeded. As a member from an Atlantic region of this great country, it is not something that would make me say that we in our area should have equal returns from our resources as would a province such as Alberta. But in the future it is the hope of provinces such as Nova Scotia and Newfoundland that they too will be blessed with resources

from energy potential. Certainly it would be the hope at that particular time that the federal government would assist these provinces in restructuring their manufacturing and processing to develop alternate sources of employment and enterprise to keep the momentum in these areas going.

Regardless of which provinces are the economic "have" provinces, we must never lose sight of the goal of reducing economic disparity and in fact hopefully doing away with economic disparity entirely. There are areas which were once sound financially. Industries were located in these particular areas. As these areas become more economically deprived, and as they went through times which were less fortunate economically, these industries became more vulnerable. Should these industries through some quirk fail to sustain the decline in economic activity in a particular region or in the country in general, then the industries which fail will not return to these areas when economic times become better. They will return to the larger urban areas, the more fortunate economic areas.

The areas which have suffered deprivation economically and whose privation in fact is accelerated by the loss of these very valuable assets will not get these assets back. This is one of the lessons we are learning from the monetarist theories in finance. If in fact we let happen whatever is going to happen, then we will encourage the centralization of economic activity in this country through ever-diminishing pockets of economic growth. In fact the rural areas will become diminished in their contribution to this country. The small community will diminish as an economic viability. This is something we cannot allow to happen.

The government has stated that it will use its energy wealth to create the basis for sustained and widespread industrial growth. To do this the federal government needs sufficient revenues and has developed two particular guidelines in this direction. The first one is that the price of oil in Canada should in some direct way reflect the costs of financing it. Second, the revenue-sharing system must be altered so as to ensure that the federal government now and in the future has sufficient revenue to allow it to carry out its basic responsibilities of economic stabilization and revenue equalization across the country. Certainly it is the government's aim.

The aim of increasing industrial prosperity across the country was stated in the Speech from the Throne. Energy-producing areas and economically successful areas, or areas which are increasing their economic strength, demand special attention from the federal government. This is realized by the government. In fact the federal government has acknowledged the needs of the west, the fact the west demands special attention and financing to meet its ever-increasing economic sphere of influence. I would go so far as to state in the House that if we as a country do not funnel more economic resources and financing into the western part of our country, then indeed we are making a very severe mistake.

The government indicated that increased industrial activity must take place in the west. There is a depleting resource. Increased industrial activity in other fields is necessary if they are to achieve the required diversification to carry their eco-