

goods. Harold Innis, a great historian and economist, spoke about Canada as a colony that served as a traditional resource base for the French, the British, and now the Americans. It is difficult to change that tradition. Indeed, that is a cause for concern in western Canada about the so-called free trade deal.

We already have free trade in western Canada. The Mulroney-Reagan trade deal is not offering us very much more in western Canada. In spite of having free trade, we have seen the Americans impose tariffs on our shakes and shingles, impose countervailing duties on our lumber, put more restrictions on our fish exports and threaten our gas and potash exports. The free trade deal will not change that.

It does not guarantee secure access for western Canadian goods to American markets, which is what we were really seeking. The American Congress can still take countervailing actions and, in return, we gave up control of our energy industry. We agreed to share our oil and gas with the United States on a non-discriminatory basis. This means that we cannot help a plant or mill in the West diversify by allowing cheaper energy prices than we charge the Americans because it would break the free trade deal. We would be giving Canadians a better deal with Canadian resources than we would be giving the Americans.

That is the flaw in the free trade deal, and that is why so-called western diversification will not work. It cannot work if the resources of the nation are not available to encourage diversification of industries in the regions of Canada. Western Canadians are concerned about the so-called free trade deal because it does not provide the federal Government with that authority. In our opinion, the \$1.2 billion over five years promised by the Government comes from existing programs and arrangements. It is essentially playing a shell game and not using new money.

What are the long-term chances for diversification? I want to refer to a seminar of the Academy of Sciences from Sweden and Canada. I want to conclude by referring to the comments of the President of the Royal Swedish Academy of Engineering Sciences. He said that knowledge is the fundamental element of competitiveness. Their recommendations include an increase in the appropriations to education and research, improved salaries for teachers in technical colleges and universities, improved money for fundamental research. That is being cut back in western Canada by the Vander Zalm and the Gettys.

The President of the Royal Swedish Academy went on to say that the Government plays an important role as a purchaser of complex technical systems for energy supply, telecommunications, transportation and defence. He concluded by saying: "The sometimes painful restructuring of parts of the manufacturing industry necessary in order to cope with major changes in the international market have most often been supported not only by the government but also by the labour unions".

Western Economic Diversification Act

He went on to say: "In principle, the labour unions accept that changes must occur in vulnerable industrial sectors and will take an active part in the restructuring process or at least not raise obstacles". He said: "We cannot expect to be on top everywhere because it is simply too expensive. What we have to do is identify a few centres of excellence which we should support wholeheartedly". He says that we must be open-minded and prepared to adapt to change.

I believe that is the way to the future both in the world and in western Canada. There should be an emphasis on science and research, and on the education of our young people so that they will have these skills. We should encourage labour and business to work together, and should define centres of excellence to study the future for the fish sector, forest sector and mining sector. These centres of excellence could develop mining and oil and gas technology, rather than concentrate on the export of raw resources. That is the key to diversification in western Canada. That is why we want to debate this Bill and will study closely whether this will simply be a slush fund or another failed attempt at western diversification. I hope that we can elect a New Democrat Government so that we can make a real attempt at western diversification. Give us a chance and we will diversify western Canada.

• (1300)

Mr. de Jong: Madam Speaker, I certainly enjoyed the comments of my colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), particularly the point he made in his summation of the need for a joint co-operative approach, an approach which involves labour, business and the public sector on municipal, provincial and federal levels. It is a co-operative approach that is needed to get all the factors and elements involved co-ordinated and focused on several areas that need development where we can become winners regionally, nationally and internationally. The Member made the point that the Vander Zalm, the Gettys and the Devines in western Canada have done a lot to put elements against each other, particularly capital and labour, as opposed to bringing them together in a co-operative way. I think he also made the point that only through a joint co-operative approach can we begin to tackle the problems of the 21st century, not just in western Canada but as a nation as a whole. It is important to have a joint co-operative approach.

The question I would like to ask concerns energy and the trade agreement negotiated between our Prime Minister (Mr. Mulroney) and the President of the United States. I remember when the Right Hon. Pierre Trudeau first introduced his constitutional changes. There were many people in western Canada, myself included, who were quite concerned that the constitutional changes were really an attempt by the central Government to grab control of the resources of western Canada.

Prior to that, in the 1970s, Mr. Blakeney, then Premier of the Province of Saskatchewan, had to fight hard with the Hon. Otto Lang and the Right Hon. Pierre Trudeau because