

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to begin by commending the Leader of the Opposition (Mr. Stanfield) for the speech he has made. I think it is a speech all of us should take a second look at; he made a number of recommendations which I think are very worthwhile, some of which I wish to refer to in my remarks today.

One of the real concerns I have about DREE is that coming from a province like Saskatchewan—and perhaps the Leader of the Opposition coming from Nova Scotia would share my view—I feel that many of the government's programs work at cross purposes to DREE. DREE spends a considerable sum of money in a particular province or area to create jobs, while at the same time some other federal department spends as much or perhaps more money in central Canada in a region like Toronto, or some other developed area, which works at cross purposes to DREE. I shall give some examples.

I remember last year or the year before participating in a debate in this House on the Export Development Corporation. If one looks at the annual report of that corporation one will find that almost all the expenditures of that corporation, except for aid in finding markets for western grain and so on, go to assisting the large corporations that are based primarily in places like Toronto, Montreal, other southern Ontario cities, and Vancouver.

The whole purpose of the Export Development Corporation is to stimulate and expand the manufacturing sectors of the Canadian economy. Most of that industry is restricted to areas not under the Department of Regional Economic Expansion, and this in many cases works against the general purposes of DREE.

If we look at the Department of Industry, Trade and Commerce and a good many of its programs we find again that much of the money that department spends goes into areas such as southern Ontario, the lower mainland of British Columbia and so on, which again works at cross purposes to DREE. I remember a bill a few years ago in this House which provided tax exemptions for manufacturers and rapid write-offs. Who did that help? It helped the manufacturers in this country, who again are located in areas that are not affected by DREE. More incentive is given to manufacturing companies already in existence in areas that are developed. They are given an incentive to expand. There seems to be a lack of over-all planning and co-ordination where DREE is part of an over-all governmental plan and where there is a balanced growth and balanced development in this country.

We might also look at our taxation system. I have already referred to the fast write-offs and the cuts for manufacturers. I think that taxation system fits into the pattern where once again advantage is given in general to areas which already have industry, areas that already are wealthy, to the detriment of the Atlantic provinces, the northern part of the prairies and British Columbia, as well as much of the province of Quebec, or Renfrew County, or any other area that is lacking in development. Industry already exists in southern Ontario. The type of taxation system we have will give manufacturers in this area an even greater advantage than they already have.

We could look at the financial institutions. Again, where are these located? And from where will all the extra jobs

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come when they expand? I think this is a very real concern.

The Leader of the Opposition referred to some problems and some of the cross-purposes of the federal government in over-all planning and co-ordination. I come from the prairies and I see a great many people from that area becoming more and more concerned about the lack of development in the prairies and more and more alienated from the federal government, more suspicious of eastern Canada, and more willing to look at the idea of western nationalism or western secession. Much of that develops because in the prairies we have a discriminatory freight rate structure, a freight rate system, for example, which makes it cheaper to ship livestock from Prince Albert, Saskatoon, and Regina to Toronto than it is to ship the same poundage or the same weight of finished beef. When that occurs, you are naturally exporting jobs to Toronto.

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It is natural that the slaughterhouses and the packing houses will be in Toronto if it is cheaper to ship the livestock there than the finished product. As long as we have a freight rate system which will make it cheaper to ship our raw materials out of the prairies and process them elsewhere, the jobs will go elsewhere, and people will be wondering about the real benefits of Confederation and whether or not DREE, which is supposed to eliminate regional disparities, will achieve that end.

I think DREE would be much more useful and successful if other governmental policies were to take into account regional disparities, if more money, for example, were put into the transportation system to overcome some of the inequities and anomalies not only with regard to us in the prairies but with regard to the northern part of Quebec and the Atlantic provinces to enable a more valid and diversified industry to develop there. Thus we could process and package more of our own food, we could have a petrochemical industry in the prairies, etc., rather than see a lot of that developed in central Canada or across the border in the U.S. DREE would then be much more successful and we would have a nation that would pull together in a more unified way than it has in the past. We must have that type of national development plan if DREE is to be really successful.

As the Leader of the Opposition said, we have put money into regional development, but I am not sure whether we have reaped the benefits from that investment that we should have gained. It may be the fault of DREE, or the fault may lie squarely at the door of the cabinet for not having an over-all national, balanced development plan and better co-ordination between the various departments and the various levels of government. If that were done I think we could go a lot farther much quicker in clearing up the inequities which exist.

A while ago representations were made to me in my riding from a number of businessmen who told me that because of the freight rate structure—I am sure the hon. member for Ottawa West (Mr. Francis) would be interested to hear about this type of inequity—there are manufacturers of prefabricated homes who send them to Port Churchill and Hudson's Bay and it is cheaper to ship these homes by rail to Montreal and then load them on boats and