

Economic Development

I know the Minister of Energy, Mines and Resources (Mr. Lalonde)—because he has said so publicly—and the Prime Minister cannot quite comprehend how it is that some of the Atlantic premiers are supporting the positions of the premiers of resource-rich provinces like Alberta, British Columbia and Saskatchewan. The Minister of Energy, Mines and Resources and the Prime Minister say that they do not understand. What they want to do is get hold of resource revenue so that they can distribute it more equitably across the country, and they wonder how the premiers of those at the receiving end of equalization, the Atlantic provinces, can object to that.

They do not understand how they can take that position, but it is very simple. Perhaps it is difficult for the government because it involves a degree of *mea culpa* on the part of the federal government. It involves admitting failures. But the reality is that the Atlantic region has had the experience of dealing with this federal government for ten or 12 years. It has had the experience of seeing the Department of Regional Economic Expansion apparently trying to balance the economic development of this country and seeing the Department of Industry, Trade and Commerce trying to do just the opposite. They balance out. It is very interesting. I see the Minister of Industry, Trade and Commerce (Mr. Gray) is here; he will be speaking later today. He should do the arithmetic some day. I did, and I found that the contributions of the Department of Industry, Trade and Commerce to central Canada just about balance out the contributions of DREE to eastern Canada. So that in fact if you average out the two departments across the country, you get about the same thing and we have no regional economic development policy at all. If in fact there had been some consistency and some coherence on the part of the government with regard to economic development or industrial strategy, you would see quite a different attitude on the part of the premiers than you see today.

• (1550)

Ad hockery has caused an incredible amount of inconsistency. I defy anybody in this country to define what our trade policy is. Perhaps the Minister of Industry, Trade and Commerce will provide some elucidation in his speech, but I am certainly unable to determine what our trade policy as a nation is.

As I indicated earlier, the Prime Minister signed a contractual link with Europe which was supposed to decrease our dependence on the United States by increasing our trade with Europe. But our trade with Europe has gone down. It is a mystery to me and I defy anybody else in the country to clarify it. I would welcome clarification on whether we believe in free trade or protectionism in this country, because you can find examples on both sides of that question.

The only thing we have had from this government since the election is the announcement that we are going to get a new Crown corporation. Is that not marvellous! But that is their response to every policy issue affecting the nation. If you have a problem and do not have the answer, create a Crown corporation. That is great. We go out and hire some people,

presumably. I do not know where they are. If they know some people who will man this Crown corporation which will cure all our trade problems, why do they not hire them today? Why do they not bring them into government today and pick their brains now? What magic happens to somebody when you bestow on them the title of Crown corporation? How will they suddenly become geniuses and cure our trade problems whereas they are unable to do anything now? Perhaps there is some retired cabinet minister who needs a chairmanship somewhere, so we create a new Crown corporation to put him into it.

I defy anybody to tell me or the country what this government's policy is toward foreign ownership and foreign investment. Sure, they set up the Foreign Investment Review Agency. So far as I know, all it does is to make a lot of lawyers rich. If it has had an impact on Canadian ownership in this country, it escapes me. It certainly has had an impact on the legal profession because if you want to deal, you have to come to Ottawa with a \$200-a-day lawyer and appear before the blooming board and fill out all the papers. So it is wonderful for that industry. But what effect has it had on foreign ownership?

The approach of the Minister of Industry, Trade and Commerce is also surprising. Almost in the same breath he rises and condemns the multinational resource companies in this country. He says they are awful, terrible citizens. Then he gives \$200 million to Chrysler and says he will bring Toyota to Canada. Perhaps this afternoon he will stand up and give us his definition of a good multinational and a bad multinational. I hope he will go beyond the explanation that a good multinational is one which operates in Windsor and a bad one is one which operates somewhere else.

Some hon. Members: Hear, hear!

Mr. Andre: It really is mind-boggling to me, a westerner. My constituents ask, how come that almost in the same day, in parts of the same newspaper, we see the statement: "Doggone it, we are going to force these multinationals and oil companies to become 50 per cent Canadian within a couple of years, or else", and then we see: "We have just given \$200 million to Chrysler and \$50 million to Michelin." What is the big difference?

Does this government have a coherent policy with regard to foreign ownership? Does it have in its tax system measures to encourage Canadians and give Canadians an incentive to invest in this country? For literally generations the tax system in this country was such that a Canadian could not invest in the Canadian oil business on the same tax basis as an American. In other words, Americans had an advantage over Canadians when investing in the oil business in Canada. For decades delegations came from the west to protest this. Literally, this was the response of one of the ministers of finance in the late 1950s, before 1957: "We do not care who owns the industry so long as we can tax it". Finally, that tax provision was changed, but only temporarily because on January 1, 1981, it lapses and we go back to the old system, unless changes are made, where an American can invest in Canada in