

Western Economic Diversification Act

I know that the Hon. Member for Kamloops—Shuswap (Mr. Riis) has been concerned about the high interest rates that exist in Canada, and I know that it affects western Canada detrimentally. Yet the Minister of Finance (Mr. Wilson) has told us that we cannot have a lower interest rate because of inflation.

Is it not true that the reason there is a 4 per cent inflation rate in Canada today is because of the sales taxes that the Conservative Government has introduced? If those sales taxes had not been introduced, our effective inflation rate would be around 2 per cent rather than at 4 per cent, is that not correct?

Mr. Riis: Mr. Speaker, once again, that was an incredibly thoughtful intervention made by my hon. friend. He is quite right that that the monetary and fiscal policies of the Government of Canada discriminate against western Canada. Yes, the Government's own programs have resulted in interest rate practices which are discriminatory to western Canada.

Perhaps I will use this as an opportunity, if I can get your attention, Mr. Speaker, to ask if there is a quorum in the House.

Mr. Deputy Speaker: We do have a quorum.

Mr. Riis: Thank you, Mr. Speaker. That is encouraging. I was just worried that—

Mr. Shields: That's the only way you can get somebody to listen to that garbage.

Mr. Riis: I thought that some Hon. Members had missed the comments of my hon. friend from Regina. Now that they are back in town—

An Hon. Member: You're wasting the time of the House.

Mr. Riis: I can hardly be wasting the time of the House when the House does not normally sit at this time of day.

As usual, the intervention of my friend from Regina was thoughtful and most perceptive. A lot of westerners are asking why interest rates are so high here and why they have to be so much higher than they are in the United States. The Minister of Finance always reminds us that we must have high interest rates because of the inflation in Ontario and Quebec. Let us think about that just for a moment.

Because of the relatively strong economy in parts of Ontario and small parts of Quebec, the rest of Canada is held at interest rate ransom. The fear of pockets of inflation in some parts of central Canada has resulted in the Minister of Finance (Mr. Wilson) keeping interest rates excessively high. That mitigates against efforts by western, eastern and northern entrepreneurs to develop regional economies.

Quite frankly, it is a policy that discriminates against western Canada. It discriminates against other regions of Canada as well, but today we are talking about western

Canada. It discriminates against western Canadian consumers, entrepreneurs, farmers and fishermen.

It is time that the Government recognize that, and, in recognizing it, take extra steps to compensate. If it is to discriminate against western Canada through its interest rate policy, then for goodness sake, it should do something to counter that discriminatory initiative.

The Government has only offered us the Western Diversification Office. We feel that that is inadequate and that it falls far short of the mark. Therefore, my colleagues in the New Democratic Party are trying to put forward positive alternatives, encouraging and thoughtful suggestions, as to how we can better assist those people in western Canada who are very keen on diversifying the economy through expanding into new products and markets.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I would like to take this opportunity to say a few more words on this Bill. A government has been asking us for co-operation in passing the Bill, and we have been attempting to give it, though we find ourselves filling in time during the noon hour so that Members from our Party who have been scheduled to speak may be able to do so later on in the debate. Forcing debate at times when it is difficult for Members to be here is rather a queer way of trying to get the co-operation of the Opposition.

There are a number of alterations we would like to see the Government make to this Bill. The Government has not suggested, through the western diversification legislation, the Atlantic opportunities legislation or the northern Ontario diversification legislation that there are a lot of things that need to be done.

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Last November a federal-provincial task force made a fairly broad and comprehensive statement suggesting that there are a lot of areas where the western diversification fund could be used to develop the economy of those regions feeling the pinch these days. It was pointed out, for example, that over the past 25 years less than 3 per cent of federal economic expenditures have gone to specific regional development. In other words, past legislation of this kind has not done the job it was supposed to do in diversifying expenditures into various regions. Although the legislation was in place, it did not make the impact it should have. This particular legislation is no more likely to do so. In fact, maybe even less so because one of its main features is advocacy and co-ordination.

We in the West know from experience, as people do in the Atlantic provinces, that there is a need for more than a fledging group of bureaucrats to co-ordinate the work of large line departments such as the Department of National Health and Welfare and the Department of Transport and so on. Those departments have their own well-established bureaucracies and are not about to let a fledging department such as