

*Income Tax Act*

why we do not address this problem, the solution of which is so important to every man, woman and child in our country if we are to keep our country together, and that is the energy agreement which must be reached between the Government of Canada and the producing provinces. It must be recognized that an energy agreement would break the flood dam and allow the heavy oil sands plants to proceed on schedule with the direct investment in Canada, of at least \$20 billion of private capital. It is not the government which should go out and borrow money but it is the people who should invest. We should get the economy of the country rolling again.

The total difference between the agreement proposed by Premier Lougheed of Alberta and the proposal of the Minister of Energy, Mines and Resources, between now and 1985 amounts to only 30 cents at the gas pump. That is the gap about which we are talking. But what is the difference in terms of jobs? It will mean thousands of jobs in central Canada. The megaprojects would attract other investment in Canada, investment which is badly needed in all areas of our economy, such as housing, pipelines and construction. What we should do is create an attractive climate so that people will want to invest their money here. It seems to me that once we reached that happy situation, we could say, "We don't want your investment, but if you really want to, you can invest at a lower interest rate". This would have the direct effect of bringing in more investment. That is what we should do, rather than riding on the coattails of our neighbour to the south and trying to keep up with their interest rates.

Now I should like to make a few comments about our farmers, fishermen, and small businesses. Last week when I was in my riding I discussed a number of problems facing the farmers in Athabasca, Bonnyville, Grand Centre, Glendon, and Lac La Biche. These gentlemen are genuinely frightened because, first, the funds of the Farm Credit Corporation are drying up and, second, the corporation must apportion the funds in such a way that a disproportionate amount of money will not go to small farming areas in my riding in western Canada.

The farmers are genuinely concerned because they are losing their herds. When the herd maintenance program was introduced, about 20,000 applicants were refused the subsidy. All they wanted to do with the subsidy was to use it to maintain their breeding herds so that they could expand their herds in the summer. We all know that their hay crops were devastated. They are genuinely worried because they are now borrowing funds from the bank, their cash flow has dried up, and they are paying interest at close to 20 per cent and, in some cases, 22 per cent.

I was also talking to small businessmen. One of them, a good friend of mine, has a men's wear store. He told me that although he is carrying an inventory, he is facing bankruptcy because his stock is not moving fast enough. There is no way in which he can move his inventory out of the store without taking a direct loss, and this threatens his very livelihood. Exactly the same thing is facing the small hardware merchants in country communities in northeastern Alberta. They carry

an inventory which is far in excess of what they can move, and they are being killed by the interest rates.

What is the government doing about the small business development bond? It cannot be used for inventory; it can only be used for capital expansion. When the small businessman walks into a bank to discuss the small business development bond, he finds that the bank manager does not know what is happening because he has had no direction from the government. He has heard that it will be extended, but he has had no direction, so he is left dangling. In the same way small businessmen do not know what is happening. Again they are being left out.

Now I should like to discuss for a moment something which I believe government members should seriously consider. I am referring to the strong feeling which is developing in my riding, and indeed in many ridings in western Canada. What is being expressed is alienation. People are attending separatist meetings and West-Fed meetings. These are average farmers, businessmen and school teachers. They love Canada, they love their country, and they are expressing something that this government does not understand. What is so sad, Mr. Speaker, is that the government does not even know that it does not understand.

● (1600)

When the founding provinces came together in 1867 the terms of confederation for Ontario, Quebec, New Brunswick and Nova Scotia were that the provinces would own and control their natural resources. That was one of the main conditions when they came together.

In 1870 the region which is now the three prairie provinces was transferred from a trapping and trading reserve controlled by the Hudson's Bay Company to a colony of the new federated provinces. It became a colony of the new Dominion of Canada, the new federated provinces of Quebec, Ontario, New Brunswick and Nova Scotia. That same year, as a consequence of the Riel rebellion, Manitoba was created. Since Manitoba was not given control of its natural resources it really remained a colony in all but name.

In 1871 British Columbia joined confederation. But in 1858 it was organized and by 1866 had defined its boundary limits. So it joined confederation, but as a province which owned and controlled its natural resources.

In 1873 Prince Edward Island joined confederation. Very clearly this new province owned and controlled its natural resources.

In 1905 Alberta and Saskatchewan were carved out of the colonial territories. They were called provinces but, in fact, they were not, since they neither owned nor controlled their natural resources.

We see through this chain of events confederation taking shape quite rapidly. But there were actually three provinces, Manitoba, Saskatchewan, and Alberta which did not own their own natural resources. Every other province did.