

Economic Conditions in Rural Communities

houses will not do anything for them. They are more interested in selling eastern Canadian mining ventures or United States industrial stock, often highly speculative, than they are in selling those of western or northern Canada. American investors are looking for investment opportunities, even high-risk investment opportunities. A Canadian company does not have to even send its president to these places. Everything can be done over the telephone. This is a travesty of justice. It is a tragedy. Anyone who knows the situation knows that this is true. It is not only easier to go south to the border to obtain investment money, it is cheaper and more satisfactory. A side comment here on Canadian know how is that the United States exploration success ratio in oil drilling is only one sixth of that in Canada.

The Minister of Finance talks about buying back Canada through the Canada Development Corporation. I went through my file on the CDC before I rose to speak. I noted that for the past seven years there has been mention in Speeches from the Throne and in policy statements of Liberal governments that a Canada Development Corporation would be initiated and implemented. Finally, after a seven or eight year gestation period, the baby has been born. What do we have? We have something that could just as well have been aborted because it will not be useful to correct this situation. It will not encourage new companies, investment and development. It certainly will not accomplish what Mr. Gordon said could be accomplished through such an organization. Others have talked about it as well. It could accomplish these things if it were organized on the right basis.

Why can the government not draft legislation which will let Canadians compete on an even basis with American investors? In the United States, the individual and the corporate investor have the right to invest their money in the United States or in Canada before they pay their taxes. If the investment is not successful or profitable, the United States taxpayer can deduct his losses. In Canada there is no such provision. If the Canadian taxpayer is not careful, he will be charged by the Department of National Revenue. In fact, it seems that the tax department looks upon the Canadian investor with suspicion and doubtful motivation. All too often he is judged guilty before he even acts. This is a tragedy. We are faced with unemployment, a lack of confidence in government and a situation which relates to provincial and municipal governments. The whole problem with regard to our economic position has been brought about because of a lack of policy and lack of confidence. If we cannot expand, how can we provide jobs? How can this country go forward? This is the question of the hour. It is up to the government to answer this question.

Some hon. Members: Hear, hear!

Mr. A. P. Gleave (Saskatoon-Biggan): Mr. Speaker, I wish to address myself to this very important motion. It is indicative of the situation in this country that such a motion should be discussed in the House today. The motion states that this government has failed to meet the needs of the citizens of Canada. It reads:

[Mr. Thompson.]

—dislocated the finances of provinces and municipalities, and caused injury and decline to our rural communities which are already seriously damaged by the government's failure to provide adequate agricultural policies.

• (3:30 p.m.)

Only a short while ago the urban municipalities were conducting a survey of the situation which they were facing. I wish to talk mainly about the farm and grain situation. It is a fact of our economic life that farmers, whether they are in grain or livestock or fruit, do not live in isolation economically from the rest of the community. Neither, of course, do those who live in cities live in isolation from the farm community. At no time has this been better demonstrated than it is now, in western Canada and in Saskatchewan in particular. The *Star Phoenix*, reporting on a white paper put out by the provincial government in December, used a black headline "Economic Boost seen for province". Underneath, it said: "White paper indicates recession low point passed". The old term used to be "turned the corner". Now, we say the low point has passed—we have bottomed out. I do not know whether we have bottomed out or not.

The agricultural policies which the government is proposing must be judged in the light of the circumstances which presently exist. They must be judged in the light of whether or not they meet these circumstances and whether they will correct the malaise which exists in a major part of the farming and rural communities of Canada, particularly in western Canada. Meanwhile, the low earning power of the farmers finds its expression in the empty storefronts in some of our small towns and in some of our cities. It is reflected in the conversation of the businessmen who live in the area.

Last Friday, in the city of Saskatoon, the Prime Minister (Mr. Trudeau) together with a large number of other cabinet ministers met the farmers in a ballroom at the Bessborough Hotel. The seating accommodation was entirely taken up, and all who could stand crowded in as well. The size of the meeting indicates the degree of concern which exists in the province. I wish to read briefly, now, from the grains policy proposals for the western grains industry. I shall begin with the last paragraph on the last page. It reads, under the heading "Encourage adjustment of farm units to more efficient sizes":

The problem of farm consolidation is one which is not peculiar to the prairie region and which, perhaps, is less critical in this region than in other areas of Canada. It is therefore believed that it would be inappropriate to proposed programs for the prairie region to deal with the consolidation issue in advance of the availability of programs to deal with this problem in Canadian agriculture generally. Such a general plan is in preparation.

So, the government apparently has under consideration a plan for farmers. It proposes the establishment of farms of a more efficient size. You know, Mr. Speaker, this final paragraph on the last page is perhaps the most important part of the whole document.

Mr. Benjamin: It scares us most, anyway.

Mr. Gleave: The rest of it is made up of proposals intended to relieve the government from having to pay