

The Budget—Mr. MacKay

noticeable degree affected the blasts of criticism which have come from practically all quarters of this country.

Without going into too much detail one need only recall what was said by Terry Hunsley, the executive director of the Canadian Council of Social Development, when he expressed the view that this budget would have a devastating effect on low income Canadians.

Don McGillivray, a respected writer for Southam News called it a cheerless document and a gloomy and deceptive document forecasting a gloomy future for Canadians and doing nothing to change things.

Finally, on the distaff side, we hear from Dian Cohen. I see the hon. member for South West Nova (Miss Campbell) approves of Dian Cohen. She is a good economist, and I am sure the hon. member would agree.

Miss Campbell: I do not approve of Southam.

Mr. MacKay: Dian Cohen is a very perceptive economic analyst. She condemns the energy aspects and points out that this time next year both our balance of payments deficit and our budgetary deficit will be higher than they are today.

What can the government do about it? In fact, what can any of us do about it? I think we must first, as Confucius said, begin our longest journey with one small step. I think we as federal members of Parliament must try—and I ask the members of the government to try—to change the kind of attitude which has developed in this country during the past few years and, indeed, during the past few months. The federal government is the only body which has the responsibility and the capacity to mediate and to try to mitigate the differences, the rivalries and the suspicions which exist among different regions of this country and particularly between the federal government and different regions and provinces of this country.

We must replace confrontation with conciliation and induce the provinces to stop bickering over some of their parochial matters. By doing this they are hurting everyone in the country and especially themselves. If our Parliament and our government do not do this, we will continue to project to the international community the image of being on the way to becoming a second-class and unstable country. The only thing which is keeping this country right now from plunging toward the status of a Third World economy is the abundance of our natural resources and the ready market for them. Unfortunately, they are being exported, to too large an extent, in an unfinished state.

Mr. Waddell: Hear, hear!

Mr. MacKay: I hear some support coming from our friends in the New Democratic Party. I will come back to that party's role in recent months in Parliament later. Perhaps they will not be as willing to support me when they hear what I have to say.

Mr. Waddell: We are talking about resources.

Mr. MacKay: The hon. member says they are talking about resources, and I agree that to a large extent their policies on resources have some merit except when they try to undermine the status of the resources in the various provinces by trading the existing status under the BNA Act, that of ownership of those resources, and substituting something much less—management and control.

Mr. Waddell: That is not true.

Mr. MacKay: It is very difficult to manage and control something you do not own. It makes it very unstable.

In looking at what is happening to our country, we could do worse than examine what happened to the United States as the political and economic centre of gravity changed in that country. There was a time, in the lifetime of our parents particularly, when the northwestern part of the United States was the manufacturing centre. Gradually, a change came and the impetus moved into Ohio and to the west coast. Now it is moving down into the sun belt in the southwest United States. In its wake the economic and social disruptions do not appear to have caused the kind of agony, the kind of bickering and the lack of management to prevent the exodus of industry which has characterized conditions in our country.

I think we can learn something about that and from that. As the economic and political centre of gravity, which has long since left the east coast of our country—the east coast once was the linchpin of confederation and once provided the possibility and, indeed, the very *raison d'être* for the nation as we now know it—left the maritimes and moved into Ontario and is now moving out to the west, the government has not come to grips with the proper economic measures to remedy the situation which this shift in economic movement has left behind.

Without going into the historical reasons for the union of this country, before confederation, when the province of Canada seemed bound for dissolution because both the English and French component in that province were dissatisfied, the Montreal traders feared western expansion, backed, as we know, by business interests in Toronto. Does that not sound familiar today? The gaps widened.

There was trouble out west with the Hudson's Bay Company. There were links developing between the Mississippi valley and the Red River valley. The Yankees were coming into the Fraser River valley for gold. All these things were threatening to disintegrate that part of British North America. This was complicated by the Fenian raids and the abrogation of the reciprocity treaty. All these things we remember, if we look at our history. However, the fact is that we did get a country together, and at that time it was a very sound country. It still is, despite the strains which have been caused in recent years by these economic shifts.

As far as the particular responsibilities I used to exercise in our government are concerned, I look across at my friends—I do not see them here at the moment—in economic development and housing, and I feel sorry for them because in the thrust of this budget, despite their undoubted good intentions,