

The hon. member referred to two specific cases, one of which was the location of Acme Seely in Renfrew and the other was the project of establishing a sugar refinery in Cornwall. Perhaps I might deal first with the question of locating a sugar refinery in Cornwall. I doubt, Mr. Speaker, whether anyone in this House would be able to convince you that the location of a sugar refinery in Cornwall would not be of some assistance in dealing with the problems of that area. I am sure there is no one in this House more aware than Your Honour of the personal problems which have been created by the very high levels of unemployment, virtually 20 per cent which now exists in the Cornwall area.

I was moved by the eloquent plea of the hon. member for St. John's East who spoke at length and with great sincerity about his concern for the plight of the people in the Cornwall area. He said that he wanted to make it clear he was in no way opposed to assisting the people of Cornwall. He was against the sugar refinery, but he was certainly concerned about the plight, concerns and problems which resulted from the very high level of unemployment in the Cornwall area.

I ask the hon. member, as a member of the Conservative party, if he is not able to contact his colleagues at the level of the provincial government of Ontario. Because at the federal level we have been prepared to assist in the establishment of an Uncle Ben's brewery in the Cornwall area with great financial support from the federal government. We are concerned about the levels of unemployment in that area. It is the hon. member's colleagues in the Conservative government at the provincial level who have refused to come to the joint assistance of that area by supporting that program. I would be more impressed by the crocodile tears which the hon. member shed if he would give us some indication as to whether he will bring pressure to bear on the members of his party who, temporarily I hope, hold the position of government in Ontario.

I hesitate to become too political on an occasion like this, particularly when we have someone from Cornwall in the chair who might find it difficult to bring me to order when I am so eloquently defending the interests of his area.

**Mr. Winch:** You did not point out that the offer of help came from a British Columbia government.

**Mr. Roberts:** We appreciate help from wherever it comes, even from such a strange place as the British Columbia government. The hon. member for St. John's East also referred to Acme Seeley and its location in the Renfrew area. Because he made his speech after five o'clock I was unable to get the details of that specific case. However, if the implication of what he suggested is that the effect of regional incentives is not to create new jobs but to take jobs away from one area and place them in another, that insinuation is entirely unwarranted.

It can sometimes be the case that an operation is considering closing down in one area regardless of the assistance that might be provided to it. There have been occasions when assistance under the Regional Development Incentives Act has prevented an operation from leaving a province or the country entirely. I will undertake to get a

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more specific reply with regard to Acme Seeley. I will make sure the hon. member receives more accurate details than he was able to present to the House.

**Mr. Speaker:** Order, please. The hon. member's time has expired.

**Mr. Gordon Ritchie (Dauphin):** Mr. Speaker, in speaking on this motion moved by the hon. member for Prince Edward-Hastings (Mr. Hees), I feel that in assessing the government's handling of our monetary and fiscal policies there is no better way to start than by referring to the latest figures issued by Statistics Canada. Statistics Canada forecast in large part where our economic problems lie, with considerable evidence that the coming months will not provide the economic growth to absorb the anticipated new entries into the labour force. Until the trade sector improves there does not seem to be any real hope of reducing the relatively high unemployment level of the past year.

I realize that the rate of entry into the labour force is due to drop unless, of course, there is massive immigration, and that within a few years, with a decrease of entrants into the labour force, providing employment, particularly for the youth of our country, will be much easier. However, until that happens Canada must have a high economic growth. The increase in population in the mid-1950s was almost 500,000 per year, while last year it was only 220,000 on a considerably larger population basis.

• (2020)

Statistics Canada shows that our gross national product in real terms expanded by only 1 per cent in the first quarter, which was lower than in any quarter of 1971. The recovery that began in the early part of last year lost its momentum, with the October to March periods being very slow, giving us a high unemployment rate of 6 per cent in the first quarter, indeed in the first five months of this year. In order to meet the forecast growth of nearly 6 per cent, activity will have to increase substantially. Unless there is a considerable increase during the balance of the year, this expected goal will not be met.

One of the weakest areas is our merchandise trade, where the surplus amounted to only \$263 million for the first five months of this year, compared with \$694 million for the corresponding period last year. Then there has been a slippage in housing starts. All this added up to an increase in unemployment in May over April. There is no doubt that the trade sector is the chief drag on the economy. Imports are being drawn more rapidly into the country. This is evidently due to the 10 per cent appreciation in the exchange rate of the Canadian dollar over the past two years. To no one does the strengthening of the Canadian dollar bring such bad news as it does to the prairie grain producers. As a result of this situation, farmers are getting a much lower price for their exported grain, and selling Canadian grain will prove to be more difficult.

Canada's recent wheat sales to China were in pounds sterling. With most other countries buying in American dollars, the purchasing power of both currencies has been declining in relation to the Canadian dollar. In the past