

*Taxation*

experiencing, but here as in all the others the high interest rates are having an impact on the farming community which it cannot bear. There is no way, Mr. Speaker, that a young man today can take over a farm in Carleton-Charlotte at its proper value and pay the interest on the money and ever hope to accommodate his mortgage and his interest charges. The economy will not support it in the sphere of agriculture. Not only is the national net income to farmers declining, but in the community of Carleton-Charlotte it has declined even more because that community is primarily dependent on a single commodity which in this particular year has been overproduced on this continent as well as in this nation.

We must have a recognition of the need of these people. I was alarmed when I read in the Montreal press on or about the first of January of this year that the Government of Canada was undertaking negotiations with Russia to lend that nation a billion dollars for the construction of a pipeline. If the press were correct, the interest to be charged on that billion dollars was 10 per cent. I reflected back to the budget of November last, where we set aside 50 million measly dollars, relative to the Russian billion, for agriculture in Canada and we earmarked \$5 million of that to subsidize the interest on the \$45 million that we were going to lend to farmers.

Where is any sense of value in the frontbenches? Why the docile backbenches? I see a cabinet minister shaking his head. There is still some interest in Canada in continuing to try to negotiate that loan for the foreign power. I have no quarrel with that, if that is in the best interest of this nation, and it could well be. What I quarrel with is the neglect of the farming industry and the failure to recognize the crisis through which it is passing at this particular time. That recognition is not there, nor is it there for small business. The small business community is suffering bitterly. And with respect to the forest industry, historically, in the last ten years, we have been withdrawing assistance from that industry. We have withdrawn from general research, from forest research, from product research and from insect research. We do have some special research items in respect to the bud worm, for example, but the total effort on general research, product research, forest research and regeneration research has declined. Yes, Mr. Speaker, the forest industry is in very serious difficulty.

Why do we not take a look at the long-term best interests of Canada? Why do we not suggest that some of the unemployment insurance payments should be deflected into a reforestation program which is so badly needed, in eastern Quebec in particular, and in Atlantic Canada? These are vital programs and they would pick up a lot of people who are presently out of work and would put together a package which would be productive down the road.

The fishing industry is no exception. The fishing industry is a heavy consumer of petroleum products, relative to its income. The cost of that particular requirement for the fishing industry from coast to coast in Canada has virtually trebled. The cost of the items that the fishermen have to buy, has gone up as much as sevenfold in some cases in the last ten years.

Coupled with that, the interest on loans, whether it be for capital equipment or operating expenses, has gone up, as we all know, to levels which are virtually intolerable. Again, as in farming, these interest rates are putting an unjust load, an unjust burden, on the fishermen because their income is declining, since the world markets are not there.

We must adjust ourselves to the problems of our economy, from the primary sector clear through to the major manufacturing sector. How are we doing? We are depriving the provinces of money we are going to save, \$5.7 billion over the next five years. The Secretary of State for Canada (Mr. Regan) has said that we are giving the provinces more money than they got last year. Now, Mr. Speaker, that is a true statement if we take it only in the literal sense of the word. If we count the dollars they got last year and count the dollars they get this year, yes, they will get more. But once again, like the application of a philosophy, it must be analysed to see the truth and the reality of it. The reality is that we are giving them fewer real dollars. We are by no means keeping up with the inflationary structures which exist in this nation today.

As a result of this, the University of New Brunswick has made an unusual and exceptional increment in its cost of admission. It is an increase of roughly \$200 per annum, something like 17 per cent. This has been necessary even though the provinces have contributed more to the universities for this coming year than the inflationary increment would ordinarily demand. The provincial donation to the university is up by something over 13 per cent, but that is not enough to keep up with the inflationary pressures and the lack of research projects which universities would ordinarily expect to receive and which would help to sustain them. So the students are not only not going to get a chance to work, as was mentioned by the gentleman on my left, but they will find that they have to pay more. This is happening at a time when young people are realizing that if they had more education they might get more work. Therefore, the trend of a declining student population in universities is being reversed. In the last two years applications for admissions have been up. But it is questionable whether or not they will be able to stay there, because of the cost.

The public is deceived, Mr. Speaker, when a government spokesman says that the provinces are getting more dollars but fails to say that they are not getting enough dollars to help the provinces keep up with inflationary impact. It means that hospitals, schools, colleges, social services, all aspects of the provincial expenditure will have to be reconsidered if they are to be kept to the present standard. There is no choice. It is deplorable to me that a former premier of an Atlantic province would stand in this House and in any way excuse this government for a reduction in real dollars, when he knows, because he has sat in the cabinet, that the objective of the Government of Canada is to save \$5.7 billion over the next five years in payments to the provinces. To any reasonable man, the consequence is obvious.