

*Time Allocation*

not doing is dealing with the problem. We have a fixed cost for social affairs. But we are doing nothing to build up the economy of the country to create jobs through the private sector so as to get Canada in a positive position, in view of potential that we have. The Government is not moving ahead quickly enough to encourage industry. Industry is being discouraged.

● (1630)

There was a marvelous show on the CBC last Saturday about farmers and how they got into their present situation. The story explained how bankers encouraged them to borrow money at nine per cent. When the rates went up to 25 per cent they were put out of business. It is the Government's responsibility to assist those people because they are not being treated fairly. It was the Government that was responsible for interest rates increasing to 25 per cent, not the farmers. That is my point.

The Government should be providing grants to certain industries that can, through the use of the Department of National Defence, create a high technology capability that cannot be afforded in other circumstances. The Minister of National Defence (Mr. Lamontagne) will appreciate that the majority of the new technology that has been developed in the U.S. came from National Defence and NASA. We should be given grants to National Defence not only to build up our forces and equip them but to carry out the extremely expensive research that is required to remain competitive.

My next concern involves medium-sized industries which are trying to switch to the new technology. The Government provides for some research and development, but the critical costs which those industries incur while getting into production are so great that a tax relief should be provided. Ultimately, employment will be created.

Attention must be given to new and expanding industries. A new business which is just beginning cannot afford the full interest rate costs. Today, as a result of the SBIG, the rates are down from 16 per cent to 12 per cent. We cannot afford to capitalize as much of the interest costs as we have in the past. It makes us non-competitive with the rest of the world. In Japan, for example, consider the involvement of expanding companies that are moving into advanced technology. They receive free loans because the Japanese realize that if the interest on the capital is compounded, no company will be able to start production economically.

I repeat that I believe that the Government's management of the country is disgraceful. It is time that it told us all of the facts and gave us enough information so that Canadians can adopt a policy which can make us one of the greatest countries of the world. It was a former Liberal Prime Minister who said that the twentieth century belonged to Canada. We are in the last 17 years and we do not seem to be progressing.

**Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, I wish to comment on three main areas, and add some miscellaneous remarks. First, I wish to comment on the Canada-Ontario General Development Agreement as it applies

to Renfrew County. Second, I will comment on the Canada-Ontario General Development Agreement as it applies to eastern Ontario, and finally, I will talk about the forestry programs.

As you know, all three of these items involve federal-provincial relations. When we become involved in federal-provincial relations on financial issues, it causes curious results. There is always a tremendous competition between the different levels of Government as they try to take credit for what is taking place. As a result of this competition, people perceive this Parliament as working in an atmosphere of confrontation, which is true. People perceive Members of Parliament as constantly fighting and the various levels of Government as not getting along with each other. Therefore, individuals have developed a certain disdain for politics.

In response to that I would say that it is the positive results that come from these debates and from the federal provincial and municipal relations that really count. Sometimes, however, those positive results become lost in the fray of confrontation in legislatures and inter-governmental relations.

An example of this was an agreement involving Renfrew County and the City of Pembroke, where plans were developed to conduct a mineral survey of the region, a survey of the forest species of the region, the introduction in the City of Pembroke of a new water filtration, sewage disposal upgrading plant, and a new industrial park. The reason for that project is clear. At the turn of the century when the forest industry had declined in the Ottawa Valley, there was nothing brought in from the private sector to replace it. AECL was brought into Chalk River, and National Defence base was enlarged. I see the Minister of National Defence in the House today and I wish to tell him that if he wishes to increase the base further, we would certainly welcome it because we appreciate having the Armed Forces base in that area.

With respect to the Renfrew County and the City of Pembroke GDA with the Province and the federal Government, which was signed on December 7, 1977, the wheels ground very slowly. The program had commenced prior to the 1979 federal election. Plans as to what would take place were well formulated. When the Conservatives came into power in 1979 and a new Minister was appointed, possible changes in policies were envisaged, and the project received a major setback. That setback came when the Mayor of Pembroke received a letter from the then Minister of DREE, the Hon. Member for Central Nova (Mr. MacKay). With regard to the three projects of the industrial park, water filtration and sewage plant, he said:

I certainly appreciate the fact that government assistance may be needed to help expand the economic base of this slow-growth area of Ontario, and your personal concern to solicit help for the City of Pembroke. However, during this period of spending restraint by governments, my Department is hard-pressed to fund even existing programs, and therefore any new commitments can only be considered if there is a very high degree of urgency. Under these circumstances, I am not persuaded that assistance for Pembroke can be prioritized until the restraint on federal spending can be eased.