

Canadian Economy

Take support for industrial innovation, for example. Recently, we announced a \$27 million increase in the federal government's funding of the joint industry-government Telidon program. This very substantial increase in federal funds for a program which is jointly managed by the Department of Communications and the Department of Industry, Trade and Commerce was added to the more than \$12 million already committed. It is a major contribution toward making this new industry self-sustaining, nationally and internationally, and in demonstrating the commercial competitiveness of Telidon in world markets.

That this approach is working was stunningly evident in the announcement this week by the American Telegraph and Telephone Company, the world's largest communications corporation, of its acceptance of a Telidon-plus system as the standard in this new communications technology. This AT & T decision should give Canadian manufacturers first crack at the crucial United States market. Industry representatives say they could easily accommodate the existing Telidon system to the announced standard, and what is more, they are now predicting a market worth \$4 billion and the creation of 12,000 jobs between now and 1985. Of course, this would not be happening were it not for the vigorous support of this government of this Telidon technology.

On April 13 of this year I announced substantial increases in federal government funding for the highly successful defence industry productivity program. This program is essentially one aimed at encouraging the development of the Canadian aerospace, telecommunications, electronics and related industries. I announced an increase in the base funding for normal projects of over 50 per cent from the previous fiscal year. I also announced an additional \$100 million in funding over the next four years to help clear up the deluge of applications received, and an adjustment formula to take account of expected cost escalations.

Adding to these amounts is funding for particular major projects, such as the PT7 engine and the components for the Cruise missile, bringing total DIPP spending over the next two years to \$272.9 million, a good investment in the growth of key industries, important for Canada's present and future.

I want to point out that a rigorous evaluation of the program has shown, among other things, that every government dollar invested in these industries through this program results in \$15 of high technology sales, 90 per cent of which are for the export market. Equally if not more important to Canada's industrial development as our support for the introduction of new products like Telidon, the Dash-8 plane, the PT7 engine, is our effort to encourage another type of innovation throughout the Canadian industrial sector. I am talking about encouraging and helping all Canadian industries to adapt to the most modern and innovative production processes, like computer aided manufacturing and designs. The extent that this happens on a scale sufficient for our industries to remain competitive with respect to cost of production and quality of product will very much depend on the extent of co-operative efforts between government and the private sector.

The government has begun extending just such support through such means as the special microelectronics fund under the enterprise development program and the planned microelectronics awareness program aimed at making Canadian industry generally more aware of the necessity of adapting to and using these kinds of new production technology.

In this decade the opportunities for industrial development will be so widespread that the biggest challenge will be to ensure that we are continually identifying and capturing them and not permitting them to slip through our hands. Three of the most promising areas of opportunity where we as a government are already very actively involved in working with the private sector are to maximize the benefits to Canadian industries and workers of the industrial benefits from resource and energy development, Canadian sourcing and export market development.

With respect to the first of these areas, there is general agreement that one of the strongest sources of market stimulus in Canada in the coming decade will be major resource and energy projects. The demand for goods and services spun off by these projects will give Canadian firms in all regions opportunities to provide technology-intensive goods and services in domestic and foreign markets, leading to sustained and broadly based economic growth across our country.

Seeing to it that these benefits accrue in fact in and for Canada is a very important goal for this government. In fact, there are provisions in the oil and gas legislation now before this House to respond to the concern that Canadian firms have every full and fair opportunity to supply these major resource projects. These provisions would govern only those projects undertaken on Canada lands and reflect the authority of the federal government with respect to these areas of our country. I believe the policy priority for this government must be and in fact is in addition to administering these provisions for the Canada lands, to ensure full benefit to Canada from major resource and other projects undertaken everywhere in this country. Obviously something should be done on a co-operative basis with the provincial governments.

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Added to the spinoff benefits of major energy and resource projects are important domestic marketing opportunities in a number of other industrial sectors, provided we are in a position to capitalize on domestic, on Canadian opportunities as they arise. One very significant example of the government's commitment to achieve this kind of objective was the recent and very successful Opportunities in Mining Conference just held in Vancouver. Jointly sponsored by the Department of Industry, Trade and Commerce, the government of B.C. and the mining associations of British Columbia and Canada.

Mr. Stevens: I rise on a point of order, Mr. Speaker. As a matter of good order I simply want to ask the minister whether he will be dealing with the question of interest rates, and in particular why he feels that their 19 per cent level is okay when our 14 per cent level would have justified his resignation?