

The Address—Mr. Benjamin

back on that kind of legitimate increase in deficit for the constructive purpose of creating jobs.

I did not originate the idea, Mr. Speaker, but let me remind the House that by bringing unemployment down to 7 per cent or 7.5 per cent, the deficit would be wiped out in three years or less. Let us not worry about chickens and eggs. I submit that to borrow now for positive investments in things that are the responsibility of the public sector, whether shipyards, railroad passenger trains or a host of other things, would create jobs. Mr. Speaker, when you invest borrowings in productive increases in our economy, you put people to work and keep business busy. They pay taxes and you liquidate the borrowings. Being a simple, ordinary country boy, that has always made sense to me.

Reducing deficits as carried on by this Government and the late unlamented Liberal government has increased unemployment. There are no ifs, ands or buts about it, and it was not the NDP that came up with those figures.

I think the matter of interest rates is at square one. It would be dumb for a businessman to borrow money at 12 per cent, 13 per cent or 14 per cent to expand his business, increase his inventory or re-equip his plant. He would be dumb to borrow money at those rates. Why should small and middle-sized businesses borrow money? The Prime Minister (Mr. Mulroney) and all the rest of them over there talk about confidence. Well, confidence does not make jobs. You cannot eat it, you cannot borrow it, and you cannot lend it. If you lower interest rates, Mr. Speaker, those who are willing to borrow and invest will have the confidence to do it. Farmers and fishermen who have to borrow in order to survive are borrowing at rates of interest which will ruin them. It will ruin them because the price they get for their produce is below their cost of production. The Hon. Member for Assiniboia can tell you about that in spades. Yet his Government compounds the felony.

We should put a handle on interest rates. We should not worry about increasing the deficit for productive purposes. In that way, most of the deficit would not go to pay interest on old debts; the deficit would be for productive purposes. At the end of World War II the national deficit was three times as high as it is now in real dollars. With a high rate of production and employment during the 1950s, we got rid of the entire deficit.

The other problem is the paranoia of the Members of the Government and the members of the financial institutions about the value of the Canadian dollar compared to the American dollar. Mr. Speaker, as the man said in *Gone With The Wind*, "Scarlett, frankly I don't give a damn". Who cares? What does it matter what our dollar is worth compared to the American dollar? The question is what our dollar is worth to us here and what it is doing for us here. To be perfectly honest, I would not mind if it went down some more compared to the American dollar, because that is great for grain sales, as the Hon. Member for Assiniboia can tell you. It is great for potash and forestry sales. It is great for the tourism business and the fishing industry. It makes our imports a little

more expensive, but then maybe more of our manufacturers will have more sales.

But the people from the financial institutions in our country are running around wringing their hands saying how terrible it is that our dollar is down compared to the American dollar. Well, what the hell, it is down compared to the Fiji dollar, the Pango Pango dollar, and I do not know what other dollars. It may be up compared to the British pound. It may be up or down compared to any currency. It is like the fellow who asked his friend how his brother was and his friend replied, "Compared to what"?

The Government must get over that nonsense and do what Louis St. Laurent did after World War II and what John Diefenbaker did. We did it for only a year or two at a time and three or four years during the war. We did not give a damn what our dollar was worth compared to the American dollar. We pegged the dollar and the interest rates. We put on foreign exchange controls. By that I am not referring to the \$200 or \$300 that the Minister of Transport (Mr. Mazankowski) might spend on a weekend in the United States.

Mr. Mazankowski: Are you jealous because I have not invited you?

Mr. Benjamin: Yes, you have not invited me to go with you yet.

If they get over that nonsense and do our thing, they will find that there are billions of dollars of investment capital available to Canada from Canadians and from foreign investors. For many years we have brought in billions of dollars of foreign capital for investment in this country, but it was not ownership capital, it was loan capital. A classic example is the Saskatchewan Power Corporation. In eight years it borrowed over \$600 million, almost all of which came from New York, Switzerland, or somewhere else outside of Canada. It was foreign capital. We brought electricity to 60,000 farms and every town, village and hamlet in the province. The experts said it could not be done. We increased our generating capacity. We paid off those loans and we own the Power Corporation. That was mostly done with foreign investment, Mr. Speaker.

The investment from outside of our borders does not have to be equity or ownership investment. We had enough of that under the Liberal government. At one point, our economy was almost 90 per cent owned outside of our borders and we were not masters in our own house. I am not anti-American, I like my relatives, but I do not want all my relatives moving into my house, with me having to pay the mortgage and live in the garage.

● (1600)

The Government should take the first step to reduce interest rates and not worry about any borrowings or deficits which are productive and put people to work in areas that are the responsibility of the Government. I believe that the Government will find that would restore the confidence of the private investor. Lower interest rates would mean that tens of thou-