

The Budget—Mr. Leggatt

An hon. Member: Look at the polls.

Mr. Leggatt: I agree with my colleague from Winnipeg North Centre (Mr. Knowles) when he said that it is not very difficult to be better than the Bourassa government, because there is not much to compare with.

Let us get back to the question of the budget and why it is that we saw much a modest approach by the Minister of Finance. At the present time Canada has an \$11 billion deficit. I remember the previous NDP government of British Columbia that was defeated because it went \$100 million over and the people were so upset with that terribly inefficient administration. What a terrible thing, \$100 million over. The minister of justice at that time said that we had a guy named C. D. Howe who said "What's a million", that we had a Dave Barrett who said "What's a hundred million?". That was a pretty nice political shot. Now we have a government that has been saying year after year "What's \$11 billion, it does not really matter, it is just another deficit".

The one thing that I can agree with my Social Credit colleagues on is that \$11 billion is just too big a deficit if you are going to try to do the things you have to do for this country. The reason the government put forth such a "slim-pickings" budget is that the Minister of Finance has nowhere to go. The money barons in this world are saying: "You guys are in the hole and you are overspent". What does the government do about that? All they do is play around with someone else's sales tax.

An hon. Member: What would you do?

Mr. Leggatt: I will come to that. I am going to provide the solutions if I have time, and I am sure we can expect to see them right there in black and white after the next Liberal policy convention.

With an \$11 billion deficit this government has not room to manoeuvre. It cannot go into massive public spending unless it reorganizes the income tax system. What can you do when you have an \$11 billion debt, one and a half million people unemployed, an inflation rate of 9 per cent and a Canadian dollar that is now below 87 cents? I do not know what it is trading at today, but it must be getting close to the 85 cent mark.

I see my colleague, and in fact the member for the area in which I live in Ottawa, shrug his shoulders and say, "What is 85 cents, it does not really matter." It means a great deal to the old people in my riding who have to buy the necessities of life. It has had a bigger impact on inflation than any other single factor. The way the dollar has dropped has meant that the cost of living has risen in such a dramatic way, not for people who are well off, but for low income people, the old people, people who have to spend their money on necessities, many of which are imported.

There is no point, Mr. Speaker, in shrugging our shoulders about a dollar that is now the lowest in value in the lifetime of any member here, with the possible exception of the hon. member for Winnipeg North Centre, I am not sure. Certainly

[Mr. Leggatt.]

it is the lowest in our lifetime. Why is it soft? It is soft because of the \$11 billion deficit and also because of another major problem in our economy—and it is one that I do not think many of my colleagues in this House have addressed.

There was a time when people like Walter Gordon, who sat in the Liberal cabinet, the hon. member for Windsor West (Mr. Gray), who sits forlornly at the end of the front bench outside of that cabinet, Eric Kierans, who is now doing his duty to Canadians by providing some very skilled economic advice—which the government continues to reject—had a voice in this place. The common agreement amongst these people was that this country is owned and dominated abroad, and unless you begin to tackle that problem you cannot begin to tackle the major problems of the economy in Canada. Those chickens are now coming home to roost in a way that the hon. member for Windsor West, Mr. Kierans, Walter Gordon and the Committee for an Independent Canada have been predicting over the last 10 years. It has been predicted by these people for the last 10 years that this would happen unless something was done about foreign ownership and foreign domination of the Canadian economy.

Let me remind the House what the figures are regarding foreign domination. These figures were published in 1977 and they continue to get worse: 57 per cent of Canadian manufacturing is owned abroad, 99 per cent of the rubber industry, 96 per cent of our automobile and parts industry, 85 per cent of the chemical industry, 71 per cent of electrical goods, 63 per cent of agricultural equipment and 57 per cent of transportation.

Then the government comes forward with this marvellous research and development feature in the budget. If the government wanted to do something about research and development they would repatriate this economy. Then we would get some money spent on research and development, because multinational corporations do not spend money on research and development in Canada. There is no point in their doing it. They spend that money at their head office. They create those jobs at head office so that they can sell products to Canada without bringing Canada into the market to sell our own products abroad produced with our own technology.

The domination of the Canadian economy by foreign ownership has meant that Canadians continue to be the last hired and the first fired. With a head office in New York and with a board of directors who know and like New York, when making an economic decision in bad times, the first plant such a company are going to shut down will be the one in Canada. What has been the response of this government? They have turned the Foreign Investment Review Act into a welcome wagon. The previous portfolio of the Minister of Finance was to change the entire thrust of that mechanism and he changed the policy of this government totally so that there is no doubt left that Canada welcomes foreign capital from wherever or for whatever purpose. The record of the foreign investment review legislation is that 10 per cent of new acquisitions have been turned down and about 5 per cent of new business. Almost none of the people applying to invest in Canada have received unfavourable treatment. The comment everywhere in