

Economic Growth and Employment Situation

alternatives ought to be. It did not even present concepts involving pie in the sky, if you like, or Utopian ideals which at least would have pointed the way to the solution of the problems of the area. The CBC is not doing a job if it portrays over television to the other four-fifths of Canada how poorly we live in the mid-Canada area. We have been exploited, abused and disadvantaged over the years and no solution has been offered.

• (3:50 p.m.)

I picked off my desk a copy of the regional disparity program of the Department of Regional Economic Expansion which is supposed to solve this problem. Two of the programs were in Granby and Drummondville. Does Your Honour agree that those are the disadvantaged areas of Canada? I have visited Granby. That area has a viable agricultural industry; the people in the area are not seriously disadvantaged. I do not say they do not need this program. I am not opposed to it. However, I suggest this kind of project cannot take place in only one-fifth of Canada, the mid-Canada corridor.

Mr. Pepin: Why not?

Mr. Peters: Because there is no one to support it. We have allowed the exploitation of that area by the mining and forest industries. There is nothing left. They have taken their marbles and gone somewhere else to play. This is the point I am trying to make. The television program showed the tarpaper shacks and run-down businesses. These businesses existed as a result of the mining industry for 40 years. My objection is that we are not offering them any hope. The minister is not prepared to attract industry to that area. We are losing millions of dollars every year. The minister is not prepared to have a pulp mill established in the area which would employ 500 or 600 people as well as an additional 500 in the bush. This would pay. I am sure it would not be a losing industry, otherwise I would not suggest it.

There are 500 to 600 miners in that area. The television program also showed Cobalt with its shacks. There has not been a substantial amount of money since they owned the Canadian hockey team, the Habitants. There are 20,000 to 30,000 people in that area. No real future is being offered to the many who have remained there. We are now losing a smelter for the reasons which I have already outlined. The federal and provincial governments have not indicated that a smelter will be installed in that area. This would employ 400 to 500 silver miners and keep the mines in operation. The CBC pointed out that this area is and will remain devastated. It was suggested that the people can move from the area. The farmers and miners do not want to move. People who have lived there for several generations do not want to move away from the forest industry.

I suggest that the program is a disservice to Canada because it does not provide an alternative for the disadvantaged people of that area. Many of the hard-core unemployed live there. Welfare recipients in the area are capable of and willing to work but refuse to do so because

[Mr. Peters.]

of the policies of this government and its neglect of the mid-Canada area.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I am glad to follow the hon. member for Timiskaming (Mr. Peters), with his series of half-baked ideas, because I would like to submit a half-baked idea of my own for the consideration of hon. members.

Mr. Douglas: Which half is baked?

Mr. Kaplan: I say half-baked because I am not certain of the full implications of the problem on which I intend to focus. I confess it has shaken some of my own thinking about the dynamics of economic growth and the kind of economic strategy we need to achieve full employment. Let me begin by noting the achievement of a "hard dollar" as evidenced by the government's inability to hold it at the discount which was established over eight years ago. I fully agree that the dollar fixed at 92.5 cents U.S. had to be abandoned. The government could not afford to hold the dollar at so substantial a discount. It had over \$4 billion invested in maintaining the discount. It was a subsidy to our export industries which Canada could not afford to maintain, under growing pressure, however worthwhile it seemed.

The government likes to refer to the upward movement of the dollar as evidence of the confidence of the world in our economy. Of course it is a vote of confidence. This movement was not achieved by accident. It was the result of doing the so-called "right things" and I agree that they are the right things: first, fighting inflation and achieving better results therefrom than our trading partners; second, stressing exports and, third, attracting capital to invest here. None of these things are easy to do. All are worth doing. The government and private sector achieved them together and did them well.

The question I am asking is whether the sum total of these three admittedly good things can be a bad thing for the economy. I submit that in the aggregate it has become a bad thing, or at least new measures are necessary to make this aggregate a good thing. Let us consider for a moment the international monetary transactions which are creating the hard dollar. All these transactions, private and public, are totalled in our balance of payments.

Our balance of payments account is made up of three general categories, trade accounts, capital accounts and invisibles. Throughout our recent history we have had a net negative balance of trade, that is to say, we have imported more than we have exported—so this account has always been in deficit. It should be noted, also, that there is an important difference between the goods we export and the goods we import. Unlike the United States, Japan and France, to take three examples, the goods we export have tended to be primary products with a low labour content, while our imports have been manufactured goods with a high labour content. We ourselves are not able to consume the sort of goods which generally we export.

If trade had made up the total of our international payments accounts we would have had, as a result of the