

grants are funding. Another article reprinted from the *Victoria Colonist* for June 25, 1974 carries the headline "Homosexual centre opens on OFY grants". I say disgraceful.

Mr. Benjamin: What has that got to do with the dollar?

Mr. Elzinga: When a government wastes money on things like this it shows it is being irresponsible.

The Acting Speaker (Mr. Turner): Order. I regret to inform the hon. member that his allotted time has expired.

● (0132)

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I am pleased to have an opportunity to participate in this debate at this early hour in the morning. I came to Canada from a third world country, after having observed for a long time the development of the banana republics. Now I am part of this great country, and as the years go by I realize Canada is becoming a more sophisticated banana republic. In those republics the main objective is to invite foreign investment in order to sell off resources as quickly as possible. What do we find in Canada? We find exactly the same thing being done today. Our economy is based on selling off resources as quickly as we can.

The hon. member for Don Valley (Mr. Gillies) said in Toronto that it is not shameful to be a hewer of wood and a drawer of water. Canada must give up the idea of becoming a manufacturing country. Our resources must be sold off as quickly as possible. The entire scenario is clear. In 1976 the selling off of resources in raw form provided a surplus of \$3 million. Indeed, it was the only sector which showed any surplus. The drop in the value of the Canadian dollar is advantageous to those producing raw materials. It will be necessary to sell more resources in order to make greater surpluses. We should find ourselves in an irreversible position of selling off resources more quickly.

A prime example is the Canadian nickel industry. I am not a capitalist, as some other hon. members of this House are. There is a market system in effect. Supply and demand determines the price. When there is an ample supply of goods and the demand is low, the price should go down. When there is an inadequate supply of goods and the demand is high, the price goes up.

How does this work in the nickel industry? For the last year and a half the price of nickel has been \$2.15 a pound. We have been told that there are approximately 420 million pounds of nickel stockpiled which must be unloaded. Why has there been no drop in price? It is still \$2.15 a pound. That is an anomaly capitalists such as Chairman Zink find difficult to understand. Chairman Zink is a cousin of Lubor Zink. Why has the price of nickel not been dropped to see if it will move? I do not know anything about those things.

There is no question in the minds of many Canadians that the government has mismanaged the economy. The two old-line parties are not able to change the direction in which Canada is moving in terms of its economic structure. In

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January 1975, in an interview with Bruce Phillips, the Prime Minister (Mr. Trudeau) dared to say the free market system was not serving Canada and that the government might have to interfere in that market system. All hell broke loose in the country. The Canadian Manufacturers' Association, chambers of commerce, members of the Tory party and members of the Liberal party came down on the Prime Minister.

Nowadays we are told that the private sector will have to bring us out of the doldrums and create jobs. We cannot do any more for the private sector. We have given them concession after concession, tax break after tax break. The latest was in the amount of \$1 billion. Now the government is going to relax in terms of environmental requirements, but still there are no jobs.

Everything possible has been done for Inco and Falconbridge in the Sudbury basin. No government could do any more. Yet we do not have jobs to show for the investment of taxpayers' money in this sector. There has been a lot of mismanagement by the government and by government run corporations. There was mismanagement by the private sector as well. With regard to Inco and Falconbridge, there has been a great deal of mismanagement. With respect to MacMillan-Bloedel in Vancouver, a portion of the surplus generated by the production of the plant was never ploughed back in to modernize the plant. The plant was allowed to run down. Because of that, it was no longer economically viable, and it had to be closed down. It was the same situation with Falconbridge in the Sudbury basin. Smelter processing was never improved or modernized, and suddenly, more money is being spent on maintenance. Now they have turned around and indicated that it is not competitive.

It is necessary for them to find a scapegoat. The scapegoat is the workers. They are being accused of not being productive. If workers are given modern equipment, they will produce. That has been done in the steel industry in this country. That industry provided its workers with equipment. The net result of that is that those workers out-produced their counterparts in a comparable industry.

The Canadian steel industry is far more competitive and productive than the American steel industry, because we modernized our steel plants and introduced modern techniques into that sector. That was not done in the Canadian pulp and paper industry. There is the shameful example of Temiskaming where the paper mill was closed down because it was not competitive. In fact, the plant was not modernized and therefore could not be competitive.

● (0142)

We seem to be headed toward ripping out our resources from the ground and shipping them out. It appears that to try to balance the deficit in our payments what we will do is to ship out more of our resources and thus earn more foreign currency in the hope that we will regain confidence in the money markets. This party has said—clearly it is different from the two old line parties in the House—that instead of extricating itself from the economy, the government must put