

per cent above the rate of inflation, but that it be part of an over-all and comprehensive strategy. That is simply one component of the attack on inflation. This, of course, would be done not only to help the many Canadians suffering from high interest rates, but lower interest rates would be more compatible with an industrial strategy for Canada. They would give us more options and more opportunities within our economic framework to begin to remove ourselves from a dependency on the United States. In other words, the long-term solution is a lowering of interest rates. The present policy is a short-run and gimmicky solution. An effective economic development program will not occur with interest rates at their current or higher levels. When you consider who the quick-fix and gimmicky people are, well, we are looking at them across the way.

**Mr. Smith:** No, they are over there.

**Mr. Riis:** Our leader has clearly indicated a new employment opportunity for Canadians which would lead directly to job creation. It includes the lowering of interest rates, but only as one component of that program. There are many other points. I could talk about the housing program which would put people back to work in the forest, construction and service industries. I could talk about the proposed tax cut for low and middle-income Canadians which would help stimulate the economy. I will not deal with some of these as they are now well known. However, I want to focus on perhaps the most important one, that is, ways and means of assisting the manufacturing sector of Canada.

● (1240)

The Liberal Party, again with the support of the Progressive Conservatives, or with the real urging and encouragement of the Progressive Conservatives, feels that the way out of our economic malaise or dilemma is the megaprojects, resource exploitation, the exploitation of non-renewable resources. I must say that while they will provide some temporary relief in terms of an over-all economic program, we feel that this is not the step into the future. We feel that this is simply more of the same. As a matter of fact, it is a kind of thinking which existed in this country back in the nineteenth century, where we were again exporting raw materials, furs, squared timber and fish. It is that same kind of mentality. Surely this is not the way we will deal with the economic challenges facing the country in the 1980s, by simply exploiting, at a faster and more thorough rate, our natural resources which are non-renewable: oil, natural gas and coal.

We feel that the way to long-term job security and stability and the development of a sound economic base in our country is to develop and strengthen the manufacturing sector of our economy. We should not only strengthen it because this is where the jobs are created, but because here is where one of the major problems exists in our balance of payments.

**Mr. Huntington:** Tell us how.

### *Supply*

**Mr. Riis:** There is a \$21 billion deficit in our manufacturing balance of payment.

**Mr. Huntington:** Tell us how you are going to do it!

**Mr. Riis:** I will tell you; just be patient. There is a \$21 billion deficit in our manufacturing balance of payments. That is \$1,000 that we import more than we export for every single man, woman and child in this country. It amounts to \$1,000 today but it is growing. Back in 1970, the deficit amounted to \$2.5 billion. Today, it is \$21 billion and growing. One can rest assured that the present monetary and fiscal policies will worsen this situation.

**Mr. Huntington:** Tell us what year this is.

**Mr. Riis:** A profound crisis faces us in the manufacturing sector and it appears that it is being ignored by the government. It is being ignored by the enthusiastic endorsement of the megaprojects given by the Progressive Conservative Party.

**Mr. Huntington:** Tell us how you will fix it!

**Mr. Nystrom:** Tories defend Liberals again!

**Mr. Riis:** If this \$21 billion deficit were to be eliminated, 200,000 jobs would be created for the Canadian people.

**Mr. Huntington:** With what?

**Mr. Riis:** I will tell hon. members that this would be good news for people in my part of the country, one of the most prosperous parts of the country, which now experiences unemployment rates in excess of 20 per cent.

**Mr. Huntington:** Why?

**Mr. Benjamin:** Because of free enterprise.

**Mr. Riis:** The hon. member to my right asks why. It is because of the present economic structure of our country, because of the present monetary policy of this government and because of the present fiscal policy.

**Mr. Nystrom:** MacEachenomics!

**Mr. Riis:** I hope that is enough reason. What can we do in terms of turning around this deficit?

**Mr. Evans:** What about mining? Shut that down, too?

**Mr. Riis:** One of the obvious things to do would be to focus on certain key areas of the economy and establish production agreements in key sectors with the multinationals. Production, whether aimed at the export or the domestic market, must equal the sales in this country. The multinationals must increase their production in Canada and their sourcing of parts and components from Canadian producers. In other words, if the multinationals want to make profits in Canada, then they must provide jobs in Canada. It is not an unreasonable request. Look at what the other western industrialized nations require of foreign investors. They require exactly the same thing. It is not as though we are asking for something new or different. We are simply asking that the Canadian government deal with foreign investors like all the other governments of the western