

Income Tax

made a speech that did not offer hope or did not offer some corrective advice to the government. In this case, Mr. Speaker, I think I should apologize because I offered more corrective advice to the official opposition than I did to the government. I offered a lot of hope, however. To my mind Canada is still the best country in which to invest. Canadians have to take more pride in their country. Canadian businessmen have to take more pride in their country.

Some hon. Members: Hear, hear!

Mr. Horner: Foreign investors have shown considerable pride in this country. I believe our current account deficit can be turned around. I believe we can turn around the net deficit on tourism alone within a year. In that instance I believe the 90-cent dollar helps. I believe in the manufacturing world the 90-cent dollar helps. I believe that in the export of much of our produce, whether it be coal, oil, lumber, fish, wheat or anything else, the 90-cent dollar helps. If it helps in manufacturing, it helps in jobs.

Mr. Douglas (Nanaimo-Cowichan-The Islands): No, you have been exporting jobs.

Mr. Horner: No, I have not.

Mr. Douglas (Nanaimo-Cowichan-The Islands): One of our biggest exports is jobs.

Mr. Horner: Mr. Speaker, I was going to end my remarks, but I still have some time so I will deal with that question. Let me talk about the auto pact and about the mines INCO is starting in Guatemala and Indonesia.

● (1702)

First, we have not been exporting nearly the number of jobs which the leader of the New Democratic Party suggests. We have a net surplus of end products of \$1.5 billion.

Mr. Douglas (Nanaimo-Cowichan-The Islands): And a deficit on parts.

Mr. Horner: That is right, but a lot more jobs are involved in putting the car together than in making the parts. We in fact have a balance on jobs in the automotive industry but a loss on revenue. Let there be no doubt about it. If anything, we have a balance on jobs in the automotive industry. One machine can stamp out a million parts in five days. However, those parts have to be assembled.

While we have a surplus of \$1.5 billion in assembled automobiles, our deficit in parts is \$2.6 billion. I am not denying that. I have stated it in the House. However, on the job factor, we are not a loser in the automotive industry.

There is a possibility of gaining in the neighbourhood of 5,000 additional jobs in parts manufacturing without losing in the end product. We are trying to gain those jobs. If we were, as the leader of the NDP says, to equalize the parts, we might lose the surplus in end products. In that event, we would not

[Mr. Horner.]

gain anything in jobs. That is one area in which there has been a misunderstanding. Let me now talk about the other one.

Mr. Blackburn: What about research and development?

Mr. Horner: Research and development is a very important part of Canadian manufacturing life. While it is not as great as it should be, that is because the size of our market is not as much as it should be. We have only 23 million in relation to 230 million people.

Let me get to INCO and the nickel industry. It has been alleged that the Export Development Corporation exported jobs because it loaned money to INCO to build a nickel mine in Guatemala. Recalling from memory, I believe the total expenditure involved in opening that mine was \$224 million. EDC loaned \$20 million for the purchase of equipment in Canada, less than 10 per cent of the total expenditure of opening that mine. It would have been opened had we loaned the money or not. That \$20 million loan created 1,200 man-year jobs, 90 per cent of them in Ontario.

The building of the mine in Indonesia was an attempt by INCO to get into the Japanese Market, something they have not been able to do. The total expenditure in Indonesia was over \$800 million. EDC and my department loaned \$57 million for the procurement of equipment in Canada, again less than 10 per cent. That mine would have gone ahead whether EDC got into it or not. The loan of \$57 million created 3,400 man-year jobs in Canada, mainly in Ontario.

My friend opposite suggests we are exporting jobs when in fact we are creating jobs by the purchase of equipment in Canada and establishing confidence that the buyer will be able to pay for that equipment.

An hon. Member: Tell that to the unemployed.

Mr. Horner: I will tell it to the employed and the unemployed.

The Acting Speaker (Mr. Turner): Order, please. I regret to interrupt the hon. minister, but his allotted time has expired. He may continue only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Horner: Mr. Speaker, I just want to say I will tell it to the employed and the unemployed, and I know the hon. member will be joining the ranks of the unemployed very soon.

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I had intended to devote my time to the bill; however, the Minister of Industry, Trade and Commerce (Mr. Horner) has raised several issues. He referred to wiretapping and interference with the RCMP. If the right hon. member for Prince Albert (Mr. Diefenbaker) were here, he would have a different approach. He would have plenty to say about wiretapping and interference with the mail. Contrary to what the minister said, our attack has been mostly on the government security group, not the RCMP.