

Ways and Means

We have in Canada resources in abundance. We have manpower in abundance, and we have many needs. It seems only logical, then, if we have the resources and we have the manpower, that the needs should be met. On a provincial basis, the only way we can stimulate our economy to bring about jobs and business opportunities is to create what is known as a financial vacuum or a climate favourable to industrial expansion. We have done this in British Columbia. Over the past years an effort has been made, and a good effort, to expand our economy to create a financial vacuum by means of which funds will flow in, thus providing the dollars which are added to the salaries, wages and dividends of the people who are working which are paid out in the production of goods. This tends to give us, in British Columbia, a balanced economy. In other words, we have the ability to consume what we produce. This spells prosperity.

I was interested, Mr. Chairman, in the paragraph in the speech from the throne which referred to the fact that "Canada's development will continue to require imports of capital, and to this end my government will maintain a climate in Canada hospitable to foreign investment." It would appear to me, Mr. Chairman, that this government has taken a look at what has happened in western Canada and said, if this is good for British Columbia, Alberta and Saskatchewan, then it must be good for the whole of Canada.

I should like to point out that, while there is no opportunity for provincial governments alone to do other than attract capital from the outside to expand their economy, that is not the case for the federal government. The federal government has the opportunity, a great opportunity, indeed a responsibility, to use the Bank of Canada in the same way the chartered banks are used for the creation of money. I believe if the Bank of Canada were properly used for the purpose of creating social and public capital, particularly at the municipal level, we would have a prosperity in Canada second to none in the world. The unemployment figures would fall by reason of the fact that our markets are primarily domestic markets. If we have a balance of trade with other countries, unilaterally or multilaterally, then we must understand that we have imported as much in goods as we have exported. Once we have reached that balance in trade, we still have the same number of dollars worth of goods to market at home as though no trade had been experienced at all. This business of intimating that one can export himself into riches is wrong.

If we are looking for more markets, then, we must have an increase in our domestic market. What better way to get an increase in the domestic market, Mr. Chairman, than

to provide that purchasing power at the level of the working class, but make more available for social services by using the Bank of Canada to provide capital for public works such as schools, hospitals, roads, bridges, court houses, wharves, airstrips, airports and so on? Now, if we have expenditures of this kind and if we use the federal bank to provide money for this type of work, we certainly will see an increase in the market for goods in Canada, since relatively we have only a domestic market. If we look the situation square in the face, then we must understand that is the market we must increase if we are going to increase the standard of living of Canadians.

I should like to touch for a moment, Mr. Chairman, on the Columbia river treaty. The only reason I mention it is to make the suggestion, from the studies I have made, that we must realize any treaty that is made with the United States has to be good for that country as well as for Canada. I believe, when the time comes it is upon that basis the decision must be made; that is, the criteria must be that what is good for Canada and the United States is good for the continent. At this moment, I do not believe we can define all the benefits of such a treaty as we have outlined. This treaty, of course, will affect the balance of trade if we are allowed to export electricity from the downstream benefits and also, for a time, from the dam site itself in British Columbia. This will mean again, of course, more payrolls, more jobs and more job opportunities.

Mr. Prittie: In the United States.

Mr. Leboe: The hon. member says, "In the United States". Well, I hope so. I hope there will be more jobs in the United States as well because, after all, one of the greatest enemies of peace in this world is the parochial attitude that seems to be coming from that corner of the house at this moment. As I said before, we must have a treaty that is good for both Canada and the United States. I am sure our friends across the line appreciate any effort on the part of Canada to be fair, and I am sure it is true the other way around as well. These downstream benefits will be mentioned later, and undoubtedly we will have plenty of opportunity to speak about them when the time comes, so I will not deal with them now.

I should like to say a word about inflation, Mr. Chairman, because in Canada we have often used the word "inflation" in respect of the increase in the price of goods and a depreciation in the purchasing power of the dollar.

[Mr. Leboe.]