

The Budget—Mr. Gordon

All of these problems are interrelated; if we can cure one, we shall relieve the others. For example, our international balance of payments deficit on current account has averaged almost \$1.2 billion annually in the past six years. This has meant that we have been importing goods and services which we should have produced at home, and that we have failed to find export markets for goods which we should have sold abroad. If this situation had been corrected, the increased production in Canada might well have meant not less than 150,000 more jobs and our unemployment problem would have been reduced accordingly.

The added investment needed to provide this increased production and employment, and the increased production and employment itself, would all have produced higher government revenues. This would have been reflected in reduced budgetary deficits.

I could go on to describe our difficulties and what we propose to do about them strictly in terms of economics. But perhaps hon. members will forgive me if I speak in more human terms tonight, and about the human tragedies that inevitably result when economic conditions are unsatisfactory and our national affairs mismanaged.

The grim experiences of continuing unemployment are to be found in nearly every part of Canada, in nearly every constituency. Most members of this house know of men and women and of whole families whose lives have been warped and whose futures impaired by long periods when they were looking for non-existent jobs.

My own riding of Toronto-Davenport is a high unemployment area. Many of the people who live there came to Canada quite recently, and they are not fully familiar with either the language or the customs of their new community. They face frustrating disadvantages in their battle for a decent life. Similar conditions I suggest prevail in most other constituencies across the country.

The prevalence of unemployment is a wrong that must be righted. Any Canadian, young or old, who wants a job must be able to find one. Any Canadian must be able by his work and his savings to make his own direct contribution to the well-being of his family, his community and his country. This is a basic tenet of Liberal philosophy. It is an aim which we are dedicated to achieve.

It is the view of this government that unemployment is the most serious domestic problem facing Canada today. I shall review briefly the steps which we are taking to combat it.

A measure has been placed before the house providing for the creation of a department of industry. This new department will con-

tribute to the long term solution of our national economic problems by actively promoting more employment opportunities in our manufacturing industries. Its aim will be to see that we produce more manufactured goods for export and for our own domestic needs, and that we process more of our natural resources in this country.

The minister-designate of the proposed department has already held preliminary discussions with officers of the automobile industry, both the car assemblers and the parts manufacturers. These discussions have been designed to ensure that we produce in Canada a larger volume of automobile parts and components for incorporation in Canadian cars or for export. The value of our net imports of automobile parts and components this year will probably exceed \$400 million. The objective in the years ahead is to reduce very greatly these net imports. The government is counting on the full co-operation of the industry in realizing this objective.

These discussions with the automobile industry will be followed by discussions with the officers of other Canadian industries designed to achieve similar results. In the search for new employment and increased economic strength we shall not be satisfied with half measures. Wherever major changes in our industrial structure are found to be necessary, we shall energetically promote them.

It is important that the new employment we are seeking to achieve in the Canadian economy, and the new investment required to produce it, be directed wherever practicable to areas of slower growth and surplus manpower. To this end the special area development agency within the department of industry will seek to encourage new investment in areas where it will do the most good.

The Atlantic provinces are an area of slower growth which for many years has not shared adequately in our economic progress. The house will be asked to strengthen the Atlantic development board through the provision of a substantial capital fund. This fund will enable the board to promote capital investment on its own initiative.

The full effect on the economy of the important measures I have been discussing will not be felt for a few years. Loans made by the proposed municipal development and loan board are intended to have a more intermediate effect. Their impact should begin to make an impression within six months to a year from the time when parliament approves the legislation contemplated. These loans should result in a marked increase in social investment and in the employment it involves.

As a further means of combating unemployment, I shall propose later this evening a number of measures to promote new capital