

### *Currency Devaluation*

These data show that we are continuing to sell off our resources. In terms of our share of the world market, however, we are selling fewer because of competition from the third world.

**Mr. Gillies:** Look at the figures.

**Mr. Broadbent:** The hon. member for Don Valley will have an opportunity to join in the debate. I hope he will. I would like to hear him reiterate and justify his view that the people of Saskatchewan, British Columbia, Ontario and the east should be hewers of wood and drawers of water.

That is the current statistical data on the resource sector. The data for the manufacturing sector is even more alarming. The growth of the fully manufactured goods deficit in the balance of payments account grew from around \$3 billion in 1970 to over \$12 billion in 1978, an increase of 400 per cent in eight years. Meanwhile the penetration of our domestic market by imported manufacturing goods increased in 17 out of 20 categories of secondary industry products in our country. The process started after the war of being an exporter of raw materials and importer of manufactured goods, or at least not a sophisticated manufacturer of secondary goods, has worsened, not improved. That is the real reason for the problems we are having today with the Canadian dollar.

My time today is relatively brief; I only have a few minutes remaining. In that time I would like not only to state the problem, as I have done, but to suggest an alternative approach, something that does not involve the tinkering we have heard about from both of the old line parties.

**The Acting Speaker (Mr. Turner):** Order, please. I regret to interrupt the hon. member but his time has expired. Does the hon. member have unanimous consent to continue?

**Some hon. Members:** Agreed.

**Mr. Broadbent:** A central approach has to be taken now in order to come to grips with the problem of the Canadian dollar. We must deal with the broader question of providing jobs for all Canadians who need and want to work, and with driving down the cost of living. This is all connected with restructuring the Canadian economy. It is all connected with the issue of ceasing to be what we have become, namely, industrial tenants in our own land.

● (1650)

We should begin with the assumption that the central duty of the Government of Canada is to see that Canadian resources are owned by Canadians, controlled by Canadians and turned into manufactured goods by Canadians for export all over the world. That should be the assumption. To achieve this end we have laid out, on other occasions, certain specific recommendations. But today, in the context of this important debate on the Canadian dollar, I will set out certain definite proposals for the consideration of the House.

First, we should stop propping up the dollar at the cost of many millions of dollars for the sake of a policy which is not

[Mr. Broadbent.]

working. Instead of spending more than a million dollars a day to maintain a dirty float, we should invest that money directly in restructuring the Canadian economy and bringing about a greater degree of Canadian ownership in commercial sectors.

Then instead of raising the bank rate, the prime rate should be lowered by a whole percentage point. This should be done immediately because, in our view, it is essential to stimulate economic growth and make up the 14 per cent of unused capacity in the economy.

Third, over half of the jobs under the control of the Canadian Development Corporation which was set up in 1971 exist in other lands. My party says that all future CDC investment should take place in Canada alone unless a specific investment project can be shown to have a long-range Canadian benefit.

Finally, immediate steps must be taken to redirect the current rate of Canadian investment abroad. Intelligent use of planning agreements, investment incentives and joint ventures in energy, mining, pulp and paper, transportation, fishing and manufacturing could keep large sums of this money in Canada. Before large Canadian firms are permitted to invest significant sums abroad, they must be required to show a net Canadian benefit.

This approach, Mr. Speaker, is not something drawn out of a hat. It is not the magical product of academic economists working in a closet. These four proposals I have listed have already been put into effect in Norway, Sweden, Denmark, France, West Germany and Japan. The point I am making is that these are practical measures which are not new, they are workable, and the general conclusion Canadians should draw from them is that the problem of the Canadian dollar is not to be put in one corner, so to speak, while inflation and unemployment are put in other corners. They are all related as every economist and every thinking person knows. The means of dealing with them are also known.

What is lacking, therefore, is not the knowledge but political leadership, and it is time we got the leadership which would move the country in the required direction, leadership which will rest on the assumption that Canadian resources belong to Canadians and that the time is long overdue for us to start using those resources to develop a first rate manufacturing base in this country.

---

## PROCEEDINGS ON ADJOURNMENT MOTION

[Translation]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** Order, please. Before I recognize the hon. member for Rimouski (Mr. Allard), it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are