in the United States and nowhere else. They are saying to us, "We do not want any of the output of your machinery and equipment factories." What are they saying with their DISC program, the Domestic International Sales Corporation program? They are saying, "We want you to take our manufactured exports." They are also saying, on the other hand, "We will take the exports of your resources. We will take all the resources that you can give to us." And what does this add up to?

I have seen this mentioned in many newspapers recently. It adds up to the following: that you can have growth in Canada because, "If our economy expands," says the United States, "we will require more resources and you will have more growth." Well, if we have growth and an expansion in our resource industries that outweighs the decline in our manufacturing output, I suppose you could say that we will have a net increase in our gross national product. But, do we then have a net increase in employment? The answer is no. Will we get a net increase in taxes? Again, the answer is no. We tax firms in the oil and gas industry on less than 6 per cent of their profits. We tax manufacturing firms, on the average, on 63 per cent of their profits. In the metal mining industry, we tax firms, on the average, on only 13 per cent of their profits after you add up all the accelerated depreciation, depletion allowances and other privileges. So, we could have growth in the economy with a decline in employment. We could have growth with a decline in tax revenue and we could have growth, really, with a decline in the division of profits that takes place in the oil and gas industry; because, given its concentration and the way dividends go, there would be an outflow. Our dollar value, similarly, could remain exactly the same. We could substitute $1 billion worth of oil and gas exports for $1 billion worth of manufactured exports and the pressure on the dollar would remain high; but the effect within the economy could be virtually disastrous.

• (4:30 p.m.)

I remember all the debates when I came to this House in 1968. At that time we were shipping approximately 450,000 barrels of oil a day to the United States. Today we are shipping approximately 800,000 barrels. Next year, within a very few months, it will be an average of 900,000 barrels. That is growth in our gross national product, but how many more jobs are involved in that? How much more taxes are involved and how much more profits really accrue to Canadian owners? When we are pursuing growth, we have to examine very carefully the components of that growth in order to find out exactly what kind of growth we are having here in Canada. More important, if our manufacturing industries begin to weaken, that is bad enough. This year the government is attempting to reduce the loss in production, but the longer this stays on and the longer the other measures stay on, we lose something more than the accumulated production. We lose something else, the capacity to produce and the capacity to have a strong and viable manufacturing industry that can support research, technology and its own expansion. All of that deteriorates. It withers away and when we have got rid of all our resources, the country is left high and dry.

This House has to very carefully examine what exactly are Canada's objectives. What do we want to be and what is our number one objective? I think that every citizen in the country will agree that our number one objective is employment. We must get rid of this perennial high rate of unemployment that has been with us, not just since this government, but has existed with very low bottoms and very swift upturns perennially. We have to make it clear that employment is our primary objective.

Growth is fine, but growth is secondary if it does not bring about an increase in employment. What does that mean? It means that all of our economic policies must concentrate not only on manufacturing, but on renewable resources such as pulp and paper, fish, wheat, barley and grains. All of these resources are renewable. We must take a very close look at the nonrenewable resources. When we look at our tax policy, we see that all of the tax advantages are given to the nonrenewable resources.

Some hon. Members: Hear, hear!

Mr. Kierans: Comparatively little is being given to the renewable resources, the people who are supplying continuing demands that will guarantee employment in the future. Exporting resources is living off capital. Any fool can have a high income in any given year if in addition to his revenue and the salary he has earned he takes $10,000 out of his bank account and spends that. However, the resources that this country has that are nonrenewable are in trust with us in this House.

Some hon. Members: Hear, hear!

Mr. Kierans: They are not ours to dispose of so that we can live the life of Riley so that future generations will then have to go back to work.

Some hon. Members: Hear, hear!

Mr. Howard (Skeena): Why aren't you applauding, Mitch?

Mr. Kierans: I am afraid that if we do not change some of these basic attitudes and decide what industries we want to further and encourage, we will end up with a weak and impoverished nation without the nonrenewable resources that we have thrown away and we will be left without the capacity to produce. The generation behind will be forced to recover the foregone technology and investment that we might have developed during all the intervening years. Our policies must embrace a monetary policy that is liberal and sufficient to satisfy our own capital requirements. Let the provinces borrow here in Canada and let the Bank of Canada make the funds available through the ordinary capital markets.

Some hon. Members: Hear, hear.

Mr. Kierans: If any province or its hydro company wants to go to a New York market, something that would