

to return to Parliament to borrow so much money to continue the operations of the Government and its programs. Of course, when we are presented with a Bill such as this we are faced with the choice of either increasing our deficit or cutting services. When I am faced with that decision, I obviously do not want to cut services and make matters more difficult for the ordinary Canadian. Therefore, we have no choice but to see a deficit budget in the country.

I suggest that merely arguing about whether the merits of a deficit are right or wrong is really evading the main issue. We should be concerned about why we have such a large deficit in Canada in the first place. We should be considering what we as Parliamentarians can do to ensure that the fiscal and monetary policies of this country are put in better order. I suggest that to do less than that is like putting a band-aid on a broken leg. It may ease the problem temporarily but it will not heal the leg.

As Members of Parliament, we should be searching for ways to revive the country and looking for methods of increasing productivity and enlarging the pie to provide a better standard of living for the ordinary working people, farmers and other citizens of the country. We do not seem to have that type of vision in this country. We seem to be lacking that leadership. As a result, we appear to be drifting.

Canada needs an economic policy that will make us a nation of producers who realize that the new world of technology is upon us. We should be in the forefront of that reality. We also need a policy which makes us economically independent and sovereign.

That is why I am puzzled when I hear speeches such as the ones given in the House today or statements like the one made yesterday by the Hon. Member for St. John's West (Mr. Crosbie) when announcing his candidacy for the leadership of the Conservative Party. He stated in an interview that Canada must open its borders to more U.S. investment in order to grow, and that Canadian economic nationalism will doom the people of this country. I wonder if Mr. Crosbie is running for the leadership of the Conservative Party and the Prime Ministership of Canada, or whether he is running to be governor of Canada, because from—

● (1630)

The Acting Speaker (Mr. Corbin): Order. The Hon. Member should refer to other Hon. Members in the House by the names of their ridings, please.

Mr. Nystrom: Mr. Speaker, I wonder if he is running for Governor of Canada or, indeed, Prime Minister of Canada, because I believe one of the reasons this nation has not been a more productive nation, and also why we are so far in debt, is that we are the most foreign-controlled of any industrial state in the world. We are the most foreign-dominated. That foreign control and ownership has made us poorer as a nation. It has lost us jobs, research and development, and it has lost and cost us sovereignty and part of our nationhood.

Borrowing Authority

Some 26 per cent of our economy is foreign-owned. In the United States, France and Britain, it is less than 3 per cent, and in Japan it is less than 1 per cent. I think the time has come, when we are discussing borrowing Bills and why we are in such dire straits today in terms of the economy, that we as a nation started considering some of the real structural problems and started correcting them.

When it comes to determining the extent of foreign ownership and control, one can consider many of the realities. We find, for example, that the report of Statistics Canada last November showed that in 1981, foreign-owned firms in Canada imported four times as much as Canadian-owned firms, which means that we lost tens of thousands of jobs because of the tremendous amount being imported by foreign-owned firms. If one considers research and development, one sees once again why we are not a nation of producers. We find that our level of research and development in Canada was only about 1.2 per cent in 1981, or less than half of that carried out in the United States and about half of that carried out in many western European countries. If one considers who does the research and development in Canada, one finds that it is the Canadian firms. Foreign-owned firms do very little research and development. If one considers Canadian firms, one finds that they probably do about as much as firms elsewhere in the world. In the sector of high technology, our deficit last year was some \$8 billion and, in computers alone, it could hit about \$10 billion by the year 1990. I think it is about time that we as Canadians started to control our own economy and our own destiny.

When it comes to exports, there are a number of facts and figures which show that many of the branch plants in Canada are operating under tremendous restrictions in terms of their exports, and some under outright prohibition. There are documents from the 1960s which show that we lost much wealth in this country and much potential productivity because some 75 per cent of our firms were prohibited from exporting. We have a Cabinet document which the former Minister of Industry, Trade and Commerce, currently the President of the Treasury Board (Mr. Gray), tried to get through the Cabinet in 1980, but he was turned down. Once again, he was discussing the problem concerning our branch plants not being able to export into the world market. In 1972, when the Gray Report was tabled, it was said that of the foreign-owned firms which were exporting, some 58 per cent were operating under some kind of export restriction, once again losing Canadians all kinds of potential wealth and jobs which would make this country much stronger and much more equal to other nations.

One could go on and on and mention our tremendous deficit in manufacturing. It was \$21 billion in 1981. We could mention the tremendous deficit in the auto industry. The accumulated debt in the auto parts industry is now some \$41 billion. It was \$5 billion in 1982 alone. We can consider the outflow of capital, the outflow of dividends in Canada. Between 1976 and 1981, the net outflow of dividends and direct capital and interest payments was some \$38 billion. As regards the oil and gas industry alone, between 1975 and 1979