

As I said at the opening of my remarks, my party and I believe that the serious problems of the Canadian dollar, and they are serious, are attributed to the over-all malfunctioning of the Canadian economy. To paraphrase what the Leader of the Opposition said, something more serious and fundamental is required than tinkering around with interest rates. However, I am not just going to comment on the government's disastrous performance in this regard. I agree with the Leader of the Opposition that something more fundamental is required. When he said that, my ears perked up. I thought I might hear from the Conservatives the fundamental policy that is required. I regret to say that I did not hear anything fundamental.

● (1640)

Mr. Paproski: He did not get to it.

Mr. Broadbent: One of the Conservatives says he did not get to it. He made some suggestions. I will not comment on those; I thought they were illustrations of fundamental Conservative thought, if that is not a contradiction in terms. The suggestions that were made were exactly of the same kind of tinkering nature that we have had from the Liberals.

On the other hand, he suggested some restrictions should be put on tourists with regard to what they bring into the country. That is one idea. On the other hand, there was the suggestion of imposing for a brief period of time some tariffs, thereby holding out some prospect that jobs will not be lost by keeping out certain products. That is a clear violation of an international agreement. Those were the two principal suggestions from the Conservatives. It is entirely the same kind of tinkering as that proposed by the Liberal party. There is no difference at all.

Some hon. Members: Hear, hear!

Mr. Crosbie: Give us a chance. Wait until we are in a couple of years.

Mr. Broadbent: The Conservatives say give us a chance. I have experienced 20 years of disaster with the guys over there. I do not want to put up with another 20 years of those on my right.

Mr. Crosbie: What about ten?

Mr. Broadbent: Neither the government nor the official opposition is offering any serious solution to our problem. On behalf of my party I want to state briefly what I think is the problem and to make some very specific suggestions.

The real problem we face in Canada is not just an international problem as the Liberals like to tell us. The Germans, Japanese, Swiss, Belgians and Swedes do not have it. In a different context, the Americans do not have it. The real problem is that this country does not have a viable industrial manufacturing sector of world class standing. The reason is that just over 20 years ago a decision was made by a Liberal government, supported by a series of governments, including

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one term in office of the Tories consisting of two principal points.

After the war it was decided that we were a rich resource country. From Newfoundland on the east coast to British Columbia on the west coast, it was recognized that we indeed were blessed on a per capita basis with the richest supply of resources in the world. It was argued by the Liberals of the day and supported by subsequent Tory governments that because we had a small population spread across the continent, we should sell off our resources to other countries that were industrialized. That was the argument that was made. Not long ago the hon. member for Don Valley (Mr. Gillies) said in a speech in Toronto that we should remain hewers of wood and drawers of water.

It was further argued that because of our small market, we could only have an industrial base that would serve the Canadian market and that it would have to be promoted behind high tariff barriers.

The chickens are coming home to roost at the end of the seventies. That is the real reason we are having problems with the Canadian dollar. We are finding that we are not the only country with resources. Countries such as Guatemala, Indonesia, Panama and Mexico also have resources which they are selling. As a result, we are seeing lay-offs in northern British Columbia, Thompson, Manitoba and Sudbury, Ontario, our once thought totally immune resource parts of this country. However, that is what is happening in Canada.

Our manufacturing sector was set up on a branch plant basis. Not only is it not doing research and development, but it is not going after export markets. It is not even competing behind tariff walls to serve the Canadian market. Therefore, we are having lay-offs in our manufacturing sector. On the one hand, we run into international competition with third world countries in selling off resources. On the other hand, we cannot compete at home with the manufacturing sector, which not exclusively but in the main is incompetent in world terms. That is the result of decisions made by a series of Liberal prime ministers and maintained by the right hon. member for Prince Albert (Mr. Diefenbaker) when he was prime minister of Canada.

Mr. Woolliams: That is not true.

Mr. Broadbent: The hon. member says it is not true. I hope he joins in the debate.

I want to place on record the relationship between these general statements and the current difficulty we are having with the dollar. In 1950 we exported 15 per cent of our mineral production in raw form. By last year that percentage had climbed to 40 per cent. We are just stripping it off and exporting it. In 1950, 25 per cent of Canadian jobs were in the manufacturing sector as opposed to 20 per cent in 1978. We are becoming less of a manufacturing country than we were ten or 20 years ago and becoming more of an exporter of relatively unprocessed raw materials.