

Export Development Act

We have these special tax deferrals and tax investments which are not being used to increase the number of jobs to meet the needs of the Canadian labour force. If they were being used for this purpose we would not have the 1,040,000 or 1,080,000 unemployed at the present time, and those are the official figures according to Statistics Canada. My leader is not exaggerating when he suggests the real unemployment figure is closer to 1,400,000 when you take into account the number of discouraged workers who are no longer actively looking for employment.

We know the officials of the Export Development Corporation have done a great job in promoting exports throughout the history of this corporation. This is particularly true of the exports from my own area of the country, such as those from the Sydney and Trenton Steel works.

Many people are concerned about the other function of this corporation, and that is the promotion of Canadian multinational corporations, especially mining ones, no matter where they operate. I am wondering whether the Export Development Corporation should be pushing that function when the primary function, as I see it, was to assist export industries in Canada, both in the primary and manufacturing sectors, to compete internationally, through loans and in other ways, in order that jobs for workers would increase. This is vitally important in Canada at this time.

I try to be as fair as I can to the Prime Minister (Mr. Trudeau), particularly in relation to the national unity issue, but in the last four years the major failure of this Liberal government has been in its mismanagement of the economy of this country. This government has mismanaged the economy of this country to such an extent in the last four years that it makes one sad. If we are going to recover we must certainly find a means of developing manufacturing and processing industry in this country rather than in other countries of the world.

From a moral point of view we want to see these underdeveloped countries assisted economically, but we must look at the situation in our own country. I do not think the people in Alberta, who do not even have to pay any sales tax are generally happy that the situation in the maritimes, Newfoundland and elsewhere, is much worse. However, the situation there is not nearly as bad compared to the situation in many underdeveloped countries of the world. I do not think any Canadian will be satisfied until this gap between our standards of living and theirs has been closed. We have both the moral and economic obligation to help these countries, but I do not see that as the role of the Export Development Corporation. It is one for CIDA.

I have just one or two more points to make. Since coming to parliament I have said that one of the greatest failures of Liberal governments over the years has been in not gaining control of our own economy. I say this is a failure of a Liberal government because they have been in power most of the time, although some of my Tory friends were in power for a number of years.

[Mr. Hogan.]

• (1612)

I do not want to be as nationalistic as people in the independent movement in Canada but, Mr. Speaker, there is an important germ of truth in what they are trying to tell us. We cannot continue to have a deficit of \$10 or \$11 billion in manufactured goods because we lose the ability to produce the primary goods that, through technology, can be turned into finished manufactured goods.

An Australian economist, Colin Clark, has said that the growth of a nation's economy and the growth of the welfare of nations is such that you move from a primary resource stage—principally agriculture—and then, because of changing technology on the supply side and changing demand on the other side, most people get out of primary industries and go to the manufacturing sector and make that labour intensive. Things then become so technologically improved on the supply side and the demand side, with changes against the manufacturing sector, that most people are pushed over into the tertiary or service sector. In other words, you become a society that produces non-things called services, rather than a society that produces things which are called goods.

There is a parallel in all western nations, Mr. Speaker. Much of our labour force has moved into the service industries. Unlike the United States or Japan, Canada has jumped as it were from being a primary producer requiring little labour into a service sector, both government and private, without having a fully developed manufacturing sector. This is hurting us.

I think the Export Development Corporation should be putting emphasis in this area rather than enabling multinational corporations which originate in Canada—and to be fair which have supplied jobs to the primary sector in this country—to move into other countries. It should be helping us build our own manufacturing and processing industries.

There can be debate on how to go about this, given the decisions made in the past regarding tariff structure and capital borrowings from the United States. We must realize that for Canada, the day of reckoning has come, and we hate that to happen during a national unity crisis. We realize there are relatively few separatists in the province of Quebec—probably about 20 per cent, and we are all opposed to them despite the slur that the Prime Minister cast—probably in anger—on all in the opposition last week. It was not fair to say that because we opposed certain things about the sales tax agreement with Quebec that we were favouring the separatist party in Quebec. He can be forgiven, though, because at times we all say things in haste and anger.

The tariff that has protected industry in central Canada is no longer effective. In the last few months questions raised about Quebec in the daily question period generally relate to furniture, footwear, textiles and clothing. These industries have been over-protected from the beginning. Now the same thing is happening in Ontario. We have the most effective protective measures in the western world, Mr. Speaker. A study was done on this subject by Professor Barber of the University of Manitoba.