

Economic Growth and Employment Situation

just made. But before I do that I wish to review why it is a bad thing to have our dollar shooting upward. In general terms, the answer is obvious. Ask the producers of primary products. They sell in world markets and in U.S. dollars. The disappearance of the discount has cost them between 6 and 7 per cent in gross sales revenues which is, of course, serious. But, where it really hurts is in our secondary manufacturing industry. It hurts, first, because the dollar climb makes imports cheaper in our domestic market and, second, because it makes our exports less and less competitive in foreign markets. In this connection, I believe the dollar movement is a great factor in the current unemployment situation in the Canadian manufacturing sector, the closing of branch plants and the general deceleration of domestic production than any other factor, including the government's past restraint policies.

The irony of it all is that the very inflow of investment dollars which provides some opportunities and jobs in Canada is helping to tip the balance further against the industries which have the best hope of offering employment to our growing population: or at least—and this is an important qualification—some of the foreign inflow has this effect.

The argument of those who feel that capital has no nationality is rebutted by the simple fact that when foreign capital inflows push up the dollar, as they do when there is a trade surplus—as there is now—a domestic dollar invested in Canada is indeed better than a foreign dollar investment, because the domestic dollar invested provides jobs and production without putting upward pressure on our dollar, while the foreign investment dollar, under present circumstances, does press our dollar upward and helps destroy markets, domestic and foreign, for Canadian manufactured goods, thereby adversely affecting job prospects. The same irony exists in connection with our export trade surplus, based as it is on primary products and given our positive balance in capital accounts. In effect, the mercantilist conventional wisdom is reversed.

Let me ask and answer the question: What good does it do us to sell so many primary products abroad if all we get is foreign dollars which push up the value of the Canadian dollar and close our factories because foreign-manufactured goods become, thereby, much more attractive to us? It is possible for us to achieve a viable economy based on such an economic strategy, that is, one based on the export of foreign natural resources? Such an economy can mean prosperity for our country but it is a prosperity based on sharing revenues which are earned by only a minimum of labour.

So long as the resources last, a small population in Canada could receive the revenues and buy goods from abroad, more or less like the royal family of Kuwait living on some kind of gilt-edged welfare plan. But we could not provide employment for a growing population or long-term economic stability. And Canadians do not project for themselves a future as a small country, living on depleting natural resources, exporting population and primary products.

[Mr. Kaplan.]

An hon. Member: Time up!

• (4:10 p.m.)

Mr. Kaplan: On a point of order, Mr. Speaker, I wonder if I might ask the indulgence of the House in order to conclude my remarks. I have almost finished.

The Acting Speaker (Mr. Richard): Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker: The hon. member does not have unanimous consent. The hon. member for Joliette (Mr. La Salle).

[Translation]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to deal with the motion introduced by the New Democratic Party regarding the unemployment problem which concerns all members of this House. It is not the first time that the opposition parties have introduced a motion on this evil of modern times.

In view of the adverse effects of this situation, it is of course difficult to remain silent when we have an opportunity of expressing certain constructive views. I should like above all to convince our honourable friends, the government members.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Where was the hon. member yesterday when we were discussing the matter of textile products?

Mr. La Salle: Mr. Speaker, the Minister of Industry, Trade and Commerce is asking whether I was in the House yesterday during the debate on textile products. I am a member of a committee which for the last three weeks has been studying a bill which is just as important, Bill C-176, and owing to its significance for my constituency, I want to tell the minister that I was not wasting my time.

Mr. Pepin: See you on Monday, then!

Mr. La Salle: I will certainly discuss the matter if I have an opportunity.

Mr. Speaker, in view of the current situation and of the various opinions which have been expressed, and recognizing the evil that unemployment is, I must point out the failure of the government to solve this problem.

I am not suggesting, Mr. Speaker, that the government has not done anything but we know for sure that it has not done enough.

Of course, members of the opposition are taken to task for their failure to make positive suggestions. All opposition parties made very good suggestions in the House. We regret, of course, that the government too often turns a deaf ear to our proposals.

Mr. Pepin: Go on. Give us a brief summary of that.

Mr. La Salle: Mr. Speaker, I would like to take this opportunity, like several others, to deplore the failure of