

*Trade*

American. He says it is the answer to all our ills. The only strategy adopted by the Minister since taking over his portfolio has been to believe that the fall in value of the Canadian dollar would solve all our problems.

Other people do not think so, Mr. Speaker. For example, Mr. George Post, acting chairman of the Economic Council of Canada, does not think so. In a recent speech to the Canadian Men's Club, he said that the recent depreciation of the Canadian dollar was only a temporary remedy for the country's trade problems and should not be relied upon to correct underlying inflationary tendencies in the economy. That gentleman has no political axe to grind, and I will take his word over that of the minister every time. I can quote dozens of similar opinions, but I will not.

In the November 25 edition of the Toronto *Globe and Mail* there is a report of a study conducted by the Conference Board of Canada on the competitiveness of Canadian industry. Between 1966 and 1975 the competitiveness of Canadian industry, compared with that of the United States, has deteriorated. This confirms the present state of Canadian industry. The president, Mr. Rene de Cotret, said in an interview:

—another devaluation of the Canadian dollar “is not the answer to the problem”. He stated that the behavioural and structural elements that led to the deterioration in cost competitiveness remain in place and that a further devaluation “would just set us up for a continuation of cost deterioration, but at a lower exchange rate.” This would bring Canada close to the British disease of a devaluation-inflation spiral, as rising import prices boosted the Canadian inflation rate, he explained.

Again, Mr. Speaker, I will take the explanation of Mr. Rene de Cotret before that of the minister. At least the Conference Board of Canada know their subject. I should also like to point out that in the report of the Science Council of Canada exactly the same conclusion is reached at page 11. I quote:

The depreciation of the Canadian dollar will provide Canada with a short-lived and limited economic respite arising from a temporary boost in export earnings and a tendency for the volume of imports to be cut back. However, as the experience of Britain and other countries whose currencies have been depreciating has shown, a falling exchange rate tends to start a self-perpetuating slide.

They go on to say a falling exchange rate is inflationary because it raises the costs of imports, and so on. At page 12 in this statement:

One wonders just how much depreciation of its currency Canada will have to experience before recognition is given to the most fundamental problem—structural weakness in Canadian industry.

I do not have time to quote further from this report, Mr. Speaker, but anyone who has looked at the situation objectively concludes that Canadian industry is in very poor shape at the moment. Canada has no industrial strategy. We were promised a series of sector studies and strategies when the Minister of Energy, Mines and Resources headed the Department of Industry, Trade and Commerce, but these have not yet been completed. Therefore, we are groping around without any strategy. That is, unless the minister introduces one this afternoon. We will be very interested to see just what he comes up with.

Suggestions for what our strategy should be have been put forward. The Science Council of Canada, as quote in the

[Mr. Crosbie.]

December 6 *Globe and Mail*, put forward a possible strategy, according to the column of Mr. Anderson to which I referred previously, Dr. Kates, chairman of the Science Council of Canada, suggests that a strategy should include Canadian ownership of companies in key areas; that government policies should support technical advances in those areas. The government has not yet decided what these areas are. There should be a “Buy Canada” policy and development of a small number of technology-based firms of international stature. There should be a range of innovative firms and the establishment of minor technology-oriented programs, such as in the field of liquefied natural gas carriers with ice-breaking capacity. These are areas in which Canada should be pre-eminent because they are suited to our geographic location.

This is the kind of strategy suggested for Canada, Mr. Speaker. We must decide what we, as Canadians, are best at and concentrate on those matters. That is what we are not doing at the moment. If we continue conducting unstructured negotiations in Ottawa, then we will be unable to determine what is going to happen to our industrial sector.

● (1602)

In connection with the negotiations in Geneva, every industry, every manufacturers' association that I know of, complains there is no feedback from the government, no mechanism by means of which they can find out from the government what is happening. They will not be involved in decisions made at Geneva; they will not be asked for their views on the negotiations from January on. I could cite instance after instance; the electronics association, the manufacturers' associations, the plastics industry—the list goes on and on. They are not being consulted.

In the United States, representatives of trade and industry are accompanying the delegations to Geneva. They will be there when decisions are made. Industrialists in this country want to know about these things now. They want to know what assistance they are likely to get in case of certain decisions being taken, certain adjustments being made. These are questions which have not been answered. As far as I know, members who sit on the opposition side of the House have been allowed no input. I wrote the minister asking whether we would be briefed and allowed to know what is happening, but so far I have received no answer from him.

The President of Privy Council (Mr. MacEachen) has, it is true, indicated that we shall be briefed. I imagine this will be done in a casual manner. We have not been consulted or told how this is being done. As I say, Mr. Speaker, there is a great deal of uncertainty in Canadian industry today.

We want to know what strategy, if any, the government has decided to follow. We want to know what are its goals for industry. Every other country which has advanced and prospered in the last 15 years—I think of France, Germany and Japan—has designated certain areas, more or less specific, in which it was their intention to become competitive. In Japan, for instance, it is electronics; Japan is making computers which compete with those of IBM. It will not risk the success of that