

*Alleged Failure to Improve Economy*

hanging in the air by the joint statement of the opposition. Canada's economic problems would disappear, they argued, if only the government would adopt social credit monetary policies. From their silence, it can only be concluded that members of the other two opposition parties did not share the conviction of the Creditistes that social credit doctrine offers a cure to all our ills.

Later in the week, Mr. Speaker, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) put forward the alternative course proposed by the New Democratic party to meet our economic problems. The way to ensure the continued maintenance of economic growth, full employment and price stability, he said, is through the institution of economic planning by the federal government. It was quite evident, however, that the kind of state economic planning proposed by the leader of the New Democratic party also commands no support from the other two opposition parties, the Conservatives and the Creditistes.

To complete the circle set in motion by the opposition parties last month, the House today has before it a motion by the hon. member for Edmonton West (Mr. Lambert) which provides an opportunity for the Conservative party to outline the remedy which it advocates to make all our economic problems magically disappear. I am sorry he did not present this remedy. It should be no surprise to find that the panaceas prescribed by the Conservatives may also be rejected by the other two opposition parties.

As I noted earlier, the leader of the New Democratic party contended last week that we can obtain strong economic growth, full employment and price stability simply by the adoption of government economic planning. By itself, economic planning is a concept so vague as to be virtually meaningless, since it has assumed so many radically different forms both in theory and in practice. Certainly the leader of the NDP shed little light in his speech last Friday on the kind of economic planning he proposes to adopt in Canada. He spoke in the vaguest of terms about imposing some form of capital investment controls to see that investment went into job-creating projects and undertakings with a high social priority.

In addressing himself to the problem of inflation in the context of economic planning, he only served to underline the total ambivalence of himself and his party on this important question. His party, he said, had advocated establishment of a prices review board to see, as he put it, "whether price increases were being artificially stimulated or were the result of genuine economic pressures". If this board, which apparently would lack any enforcement power, failed to do the job, then the NDP was prepared to support imposition of mandatory price and income controls, he said.

Last winter and spring, however, both the leader and the deputy leader of the NDP were demanding that the government immediately establish mandatory price and income controls. Speaking in the House on April 28 last

[Mr. Benson.]

year, the hon. member for Nanaimo-Cowichan-The Islands declared:

Unless the government is prepared to adopt a mandatory prices and incomes policy, we shall completely fail to deal with the question of rising prices.

If the member still believes that, what possible purpose does he consider could be served by establishment of a powerless prices review board?

Vague as they are, it still cannot be assumed the proposals for economic planning advanced by the leader of the NDP actually represent the current views of his party, since this is a question which is at present the subject of strong controversy within the ranks of the NDP itself. One wing of the party is arguing for establishment in Canada of a totally socialistic state, while others favour something in between—if only on the grounds of political realism. I strongly doubt whether there is any consensus, even among members of the New Democratic Party, about whether and how far we should move down the road charted by the NDP leader. Certainly, there seems to be little disposition on the part of the NDP's allies in organized labour to follow this route, particularly if it would involve government intervention in collective bargaining.

● (3:30 p.m.)

In Canada we have long had an economy made up of a mixture of private and public sectors whose course is essentially determined by the forces of the market. Governments in virtually all of the western nations have developed a far-reaching series of policies and programs aimed at harnessing these market forces so that they will work together to produce strong and steady growth. There is no question that over a period of a number of years we have made considerable progress in increasing our ability to harness the forces of the market to serve our ends. There is equally no question that we still have some distance to go before we resolve the basic dilemma confronting the economy of every nation in the world.

As the Economic Council declared in its most recent review, "the most notable shortfall in economic performance on a world-wide basis in the 1960's, and a major unresolved problem for policy, has been the inability to bring about an acceptable reconciliation between high employment and relative price stability." Our economy is constantly being affected by the diverse response of business management, investors, unions, farmers, fishermen and many other groups in the private sector by an ever changing variety of circumstances both at home and abroad. In a free and dynamic economy of this nature, it is no easy task to anticipate the future, nor to judge with great precision exactly when and to what degree any particular fiscal or monetary measure will prove effective in guiding the market forces on to the desired course. This has been particularly the case in recent years, when past experience has proved a poor guide to both the present and the future.

In speaking on the NDP motion last Friday, the Conservative leader said the policies advocated by his party