

Canadian Economy

● (1430)

What we are saying from this side of the House is that we could have an independent Canadian policy. It has nothing to do with government spending. It has to do with following American high interest rates and encouraging high interest rates, as this government is doing. High interest rates there lead to high interest rates here and to inflation. Can the government not see that? It seems obvious to us. I think we have to do something else.

I see the Minister of Industry, Trade and Commerce (Mr. Gray) is in the House. I would encourage him to follow an industrial strategy which would give Canadians more control of the country through a mixture of tax changes, planning agreements with major companies, selective state intervention—and that is what I meant by proper government spending—and an enlarged role for Petro-Canada in oil development. That is the next step after constitutional reform. Constitutional reform is the first step in bringing the Constitution home. We will patriate our Constitution to Canada. Then we have to patriate our economy. That is the challenge of the 1980s. I think the minister of trade understands that. I would encourage him to push the cabinet into following that kind of policy.

I want to comment briefly on some of the more complex things which I think are wrong with our system. In my view, the hon. member for York-Peel barely touched on some of the fundamental questions that are facing us in economics. It seems to me evident that we have a system which no longer obeys the laws which were supposed to govern it. The open market has disappeared. Trusts, cartels and price-fixing agreements reduce the area of free competition to a minimum. I think the flexibility of earlier capitalism has given way to increased rigidity and the public is no longer protected. As a matter of fact, the hon. member for York-Peel and his colleagues are in the nineteenth century. Capitalism, as we knew it in the nineteenth century, has gone.

It is evident that planning of some sort is coming anyway. The state has already exercised considerable control over our economy. The capitalists themselves, as fast as they divide up their markets and build their monopolies, are becoming planners. Every giant corporation has a planning commission.

I see that my time is almost up. Before concluding, however, let us deal with the here and now. We no longer have that old system which the hon. member for York-Peel would like to have. We have a different system now and we have to protect the people in that system. We have to protect the little guy in that system. That is what this government has failed to do, that is what the vote of non-confidence in this government should have said and that is what the hon. member for Oshawa (Mr. Broadbent) was trying to get at yesterday when he talked about these discredited, made-in-Washington usurious interest rate policies.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Mr. Speaker, I welcome the opportunity to take part in this debate. It enables me to describe to this House some of

the efforts of the government to deal with the economic and industrial challenges that have emerged in this country, as they have in national economies the world over.

Mr. Stevens: How long do you need? Five minutes?

Mr. Gray: I want to describe the efforts of this government and how they involve creating a solid framework for present and future economic stability.

The hon. member from York-Peel (Mr. Stevens), in presenting his motion, as usual showed rather severe ignorance of the vast array of positive policies and programs which the government has implemented. We are right now addressing precisely those issues about which the hon. member for York-Peel claims to be concerned and mentioned in his motion, namely the stability, productivity and competitiveness of the Canadian economy. The hon. member may be a slow learner, and the Canadian people have confirmed this, but I am glad to have another opportunity to tell him something about our economic policies and how they are working toward an economic future in which all Canadians can benefit, one that is vital and growing.

Before doing that, I want to make another observation about the motion before the House. Whether my hon. friend likes it or not, Canada and Canada's economy do not exist in isolation from the rest of the world. On the contrary, Canada is one of the most internationally oriented of nations, and its trade with other countries makes up 25 per cent of our gross national product. The economic events that have confronted Canada with its most serious challenges in recent years, starting with unprecedented increases in the price of energy and running the gamut to the emerging competitiveness of newly developed countries, are international in origin.

Far from condemning the Minister of Finance (Mr. MacEachen) for participating in a meeting of the International Monetary Fund, or for that matter criticizing any other minister of the Crown for pursuing Canada's economic interests in international meetings and international markets, the hon. member for York-Peel and the official opposition, if they knew what they were talking about, should be expressing confidence and satisfaction that this government's views of its responsibilities in regard to having the right economic policy for Canada are not so narrow, limited or empty as those of the official opposition.

The hon. member for York-Peel made reference to the election of the Minister of Finance as chairman of the main committee of the International Monetary Fund. According to press reports, the Minister of Finance was elected because a large number of member countries of the fund did not want the British finance minister, the British Chancellor of the Exchequer, a leading figure in the Conservative government of Britain, to be elected to that post. I suspect that is because they saw what Conservative policies were doing in Britain when it came to matters like employment. They undoubtedly knew what damage Conservative policies have done to Canada during the fortunately brief period when the member for York-Peel and his colleagues were in office. Obviously they