

Economic Policy

will try to exert itself to break down the impasse government has placed upon the old well worn collective bargaining system.

This motion is timely because the government must make a clear and sharp appraisal of its actions and do something about them. We as a parliament must encourage Canadians to produce more and perhaps to consume less—to save more and invest more in Canada. The attitude of the government in not saying when the wage and price controls or economic controls will be removed, although we are now led to believe they will be removed sooner than the three years first mentioned and we hope this will be the case—this attitude must be improved upon. Controls have never been envisioned as an economic instrument; they are a psychological tool—in fact they are inflationary in themselves. They encourage Canadians not to reinvest in their own industrial plants, and they discourage Canadians from producing more. All they have done is increase the size of the government as we have seen in regard to the Anti-Inflation Board.

Another subject I should like to touch upon is our trade with our major trading partner, the United States. Something like two thirds of our exports go there, and something like one job out of every two in our industry is concerned with the export of goods to that country. In order to improve our economic climate and our competitive position in international markets the government would do well to improve its relations with the major trading nation to the south. It worries me greatly to see the erosion and breakdown of what was once considered a good neighbour policy—to see it becoming what might be considered a poor neighbour policy.

Some hon. Members: Hear, hear!

Mr. Horner: If that were improved I am certain it would help us reach a competitive position with other trading nations.

Mr. Alan Martin (Scarborough West): Mr. Speaker, I am pleased to have the opportunity this afternoon to speak on the motion put forward by the hon. member for York-Simcoe (Mr. Stevens) in which he deplores what he refers to as the “contradictory economic policies” practised by the government; in which he further complains of the so-called failure to “enhance the growth and stability of Canadian employment and industrial production” and, presumably in order to complete his all encompassing and one shot sweep of the horizon, he talks of a failure to encourage investment in industry. He wraps the entire effort in a backward sweep in which he condemns the government for permitting “a serious decline in our competitive position in international markets”.

The very nature of the motion is, I would suggest, somewhat indicative of the practice of the hon. member for York-Simcoe—if you throw enough stones in the general direction of the barn door, sooner or later you are likely to hit something. So far we have seen the stones flying through the air, but the barn door remains unscratched. Sometimes one must wonder whether he becomes confused about barn doors and aims his stones in more than one direction. Certainly I find it confusing to be aware of the 180 degree switch in his attitude from time to time on

[Mr. Horner.]

major factors relating to the economy. The Minister of Finance (Mr. Macdonald) referred to some of these in his address earlier.

The hon. member speaks of contradictions. May I bring to his attention, and that of the House, his recent vote against the government's inflation policy through which the government was attempting to come to grips with the serious inflationary trends prevailing in the country last summer and last fall?

Over and over again I have heard the hon. member express concern about the seriousness of our economic problems—of a too large increase in the monetary expansion—in essence, showing his concern over the serious effects of high rates of inflation. Mr. Speaker, he cannot have it both ways; either he is in favour of containing the operation of the Canadian economy within reasonable bounds under which we can all survive, or he is not.

Mr. Epp: That is not logical.

Mr. Martin: I should like to quote the Governor of the Bank of Canada who in his statement, at the time of the recent rise in interest rates, was firmly committed to an increase in monetary expansion within moderate limits. It seems to me the hon. member for York-Simcoe was rather keen on this at one time. Frankly I do not know where he stands now, and I doubt if other hon. members are much wiser.

My point, Mr. Speaker, is simply this: an hon. member with the business and financial background of the hon. member for York-Simcoe should, in my view, be in a position where he can put forward positive and constructive views relating to the operation of the Canadian economy and the government's role in it—

An hon. Member: He did.

Mr. Martin:—rather than continuing on a negative and, to use his own terminology, contradictory course. Surely as chief financial critic of the official opposition this House and the Canadian public can expect more from him.

Mr. Baker (Grenville-Carleton): You would not listen.

Mr. Martin: The hon. member complains of the failure—as he sees it—of the government to enhance the growth and stability of Canadian employment. But let us look at some of the facts. I wonder if the hon. member is aware of them.

In Canada the statistics for 1973 indicate that 7.2 million people were employed; in 1975 the figure stood at 8.6 million. It is true that unemployment is at a higher than desirable rate, but this is the case in the United States, and in a number of other industrialized countries as well. It is well known that the big swing came at the end of 1974 and the beginning of 1975. The increase since then, however, has generally tempered and it is anticipated that 1976 should show little or no increase—yet it will remain high. This is a problem with which the government is faced, as well as the governments of other industrialized nations.

Again, by comparison with our giant neighbour to the south, it is still expected—I am referring to the rate of unemployment—to continue at a somewhat lower rate in