

Economic Conditions

possible for us to develop not just vague general outline policies, but coherent and, indeed, detailed policies in all the matters that are now the subject of this emergency debate. Industrial development, industrial incentives, industrial restructuring, interest rate policies and monetary policies, and generally tax policies have all been systematically addressed by all the parties in the provinces and in the federal convention.

I suppose one reason this party does that is because it is a social democratic or socialist party which believes in the values of long-range planning, of thinking ahead and trying to shape our life, at least in its broadest outlines, and in many cases we try to shape policies that fit into a particular philosophy. Because it does have a particular philosophy it does engage in this kind of long-range planning.

The government is suffering now, as it has probably been suffering off and on in the last many years, from failure to engage in this kind of thinking and planning. I suppose one could argue that this country has never really had an economic development policy since Sir John A. Macdonald. Macdonald's national policy is obsolete, but neither of the major parties has produced anything comparable to it in the years since.

I thought the beginnings were coming in the late years of the Second World War and in the early post-war period. For a time it really looked as though the government of the day would develop coherent, constructive, social and economic policies. What seems to have happened at least in the economics sphere, because some advances were made in the social sphere, is that the guru of the day, the late C. D. Howe, persuaded the prime ministers of the day, Mr. King, and Mr. St. Laurent, that the best direction for Canadian economic policy to take was to dismantle much of the very industrial structure that he had set up or had helped to set up during the Second World War. He wanted to dismantle it and turn it back to the private sector, whether Canadian or American. Indeed, he himself, as hon. members will see—I am sure many have read the biography which was recently published on C. D. Howe—had a proclivity toward continentalism which has probably not been matched, even by the Liberals. Therefore, it really did not matter to him that you had something focused in Canada done by Canadians for Canadians, even though it had mattered to him in the war, because in the war there was no alternative; we had to do things ourselves.

It did not seem to matter after the war and, as a result, Canada started them on its continental drift it has been on ever since. One of the fundamental reasons we are facing this emergency today and the kind of economic problems we face today is because we sold out our economy and control over our economy, our resources, interest rates and all aspects of control in the economic sphere, despite efforts by the Hon. Walter Gordon and a few other Liberals who in my view really tried hard. There are approximately four who are still trying hard. But despite all their efforts, the sell-out continued and, indeed, it has worsened in the last ten years.

For example, there is the Gray report. The hon. member for Windsor West (Mr. Gray) is one of those who is concerned. But at the time of his report he thought the situation was

almost beyond recall. The situation is twice as bad today. We have nobody in power who wants us, as Canadians, to be masters of our own economy. This is not to say that our economy is not highly interdependent. Of course, it is. But we in Canada wanted to be the ones to say how we fit into the rest of the world and not have the U.S. or any other country for that matter—particularly the American multinationals—telling us how we fit into the rest of the world. That has just been lost.

The difficulty may be with the Prime Minister (Mr. Trudeau) because economic policy has never been his long suit. Indeed, he has vacillated from a pale imitation of John Kenneth Gailbraith, in the famous Christmas message of 1975, I think it was, and from the position that the free market system was not working—as indeed it was not—to one which can only be described in the last two years as a Milton Friedman approach. They defer to the Bank of Canada and most small “c” conservative economists in the country.

Starting around the late summer in 1978, the Prime Minister seemed to have suddenly embraced this incredible monetarism, to a greater extent even than Margaret Thatcher or the American democrats, and probably more, if one could think it possible, than is likely to come about under the republicans in their new administration. So how can a party be sure where it is, or whether it is going anywhere in terms of economic policy, when its leader does not know and vacillates from one extreme to the other in a two and a half to three-year period?

To my mind there have been two enormous difficulties. There has been a lack of grass roots participation in the development of economic policy in the Liberal party and there has been the lack of interest on the part of the leader of the party itself. And so it has continued. There was one short break. That was when the Liberal party decided to adopt our suggestion about the creation of Petro-Canada. That was a constructive step to ensure that at least we had a window on the resource industry. It did not work out quite that way, but it was at least an attempt to preserve the public interest as far as the resource industry of this country is concerned and, indeed, as far as the whole economic nature of this country is concerned.

Apart from this there is very little evidence that the government is willing, able or perhaps even concerned enough to start to become masters of our own House and to develop an economic strategy and an industrial strategy. It is not easy. One has to say which industries are good, efficient and able and which industries are not. One must have means of restructuring, of dealing with structural inefficiency; one must possess the will to do it and the means to relieve the difficulties which that process in itself will create, so as to ensure that Canada is a leading nation in the high technology industry and the electronic and communications industries. We are on the brink of an information revolution. It is here. Some people on the government side, I think, have even heard of Telidon.

But what help has there been? What policy has there been? If one compares the government's record with that of the United Kingdom, France, Japan or the U.S. and the kind of