

Energy

out what the impact of the change in the energy situation may be on this country.

What have we discovered from the Minister of Finance (Mr. Turner) with regard to the situation in Canada? What he had to say is reported at page 7129 of *Hansard* for October 23. He said that the outlook of the economy in 1973 and 1974 is for a strong rate of growth. He is not willing to consider that because of the change in the situation that has developed around the world there may be some impact on the Canadian economy. He is not willing to ask himself what it may do to Canada. He does not even suggest that the present monetary, fiscal and exchange rate policy may be inappropriate following the new developments throughout the world.

I suggest to the House that the people of Canada want to know what the attitude of the government is with respect to the impact of the energy shortage on employment, on inflation and on economic growth. I suggest, further, that the reason the government is not willing to say anything on this topic, is not willing to give us a statement about the situation in the country today, is because of the situation in the Canadian economy today. We have in Canada, in spite of the fact that the Minister of Finance constantly says we are operating at full capacity, an unemployment rate of 5.8 per cent—the highest unemployment rate of any industrialized country in the world. We read about officials in the United States being terribly concerned because the energy crisis in that country may bring unemployment up to 6 per cent. Our government is beginning to believe that 6 per cent unemployment is normal.

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We find statements being made in other countries that the energy crisis may have some impact on unemployment levels. But what do we find from the Canadian government? Its members are afraid and unwilling to say what may be the impact of the energy crisis here.

Look at the inflation situation, Mr. Speaker. Only two other countries in the world have a higher rate of increase in inflation than Canada at present—Greece and Japan. What is going to happen to the Canadian inflation rate? This is something that is of great concern to every Canadian. Every Canadian wants to know what effect the change in the energy situation will have on prices in our country.

What about growth in the economy? We have this really incredible situation of a budget brought down last February, the purpose of which was to stimulate economic growth. But what has happened? In every quarter since that budget was introduced, the rate of economic expansion has declined. In fact, in the third quarter of this year we had substantially less than 1 per cent growth in the gross national product, despite the fact that the budget was supposed to stimulate growth.

I have often wondered, why is it that we have basically such poor economic performance in Canada? I think I have found the answer. If you ask the Minister of Finance why it is we have such a rising trend in inflation—as I said earlier, the third fastest rate of increase of any country in the world—he replies, “It doesn’t matter, because if you look back six months ago you will find that the rate of inflation somewhere else was higher, and so you don’t have to worry about the trend.” When we point out that

[Mr. Gillies.]

there is no real growth in the economy, he replies, “We had great growth in the first quarter.”

Mr. Speaker, the government, in making economic policy, will not look at any trends. It will not look ahead. It always looks back. Now, when every Canadian is asking what will be the impact of the energy crisis, if any, on the economy, again members of the government will not look ahead because in fact they are incapable of looking ahead: they are afraid to look ahead.

In the present debate on energy around the world, Canada is the only country where a senior economic minister has not made a statement on the impact of the energy situation on the economy. In the United States, the Secretary of the Treasury has made a statement that the possible impact of the crisis in that country is a 2 per cent drop in the rate of growth of the gross national product, a possible increase in unemployment up to 6 per cent, an increase in prices of another percentage point, some decline in consumer expenditures and some decline in capital investment. The economic spokesman in West Germany made a similar statement on the impact of the energy crisis in his country. The Chancellor of the Exchequer in Britain said what it is likely to do to the economy of Britain and outlined what they were going to do about it.

Mr. Drury: Look at what happened to the pound.

Mr. Gillies: Even the Secretary of Finance of Iran has said what is going to happen in his country. In Canada, the central issue today is what is going to happen to the Canadian economy in the next quarter. Is unemployment going to rise? Will inflation get worse? Will economic growth slow down even more? But the Canadian government has said nothing.

It is totally irresponsible on the part of the government not to come state what it thinks the impact of the energy change will be. For the Prime Minister (Mr. Trudeau) to make a statement and for the Minister of Energy, Mines and Resources (Mr. Macdonald) to make a statement about energy without mentioning what it may mean in terms of employment, of prices, and to the economy in general is the height of irresponsibility.

Some hon. Members: Hear, hear!

Mr. Gillies: Before this parliament rises for the Christmas recess it is incumbent upon the government to state what it assesses the impact of the energy situation on the Canadian economy to be. I cannot stress enough, Mr. Speaker, that the questions Canadians are concerned about, when they talk about energy, is the effect of the situation on their jobs. Canadians know that there is a projected decline of the gross national product of the United States, a decline in economic activity in Japan and a decline in economic activity in the European countries. What does that mean to Canada?

The reason the government is incompetent and must be defeated is that it is unwilling to relate the international situation in energy to economic policy in Canada. The government is totally irresponsible in not doing so.

An hon. Member: Talk about energy in Canada.