

The Canadian Economy

which were given by the minister tonight with respect to the rate of growth at that time. He pointed out that the rate of growth increased by 2.3 per cent in the first half of 1970, 3.5 per cent in the second half, and 6.2 per cent in the first half of this year. He also stated that in the second quarter of the year output was rising at the rate of 8.5 per cent per annum. So, there was an increase from 2.3 per cent to 8.5 per cent in the growth rate in a short period of one year. All the indications on June 18 were that the economy was on the upswing. I submit that to have applied further expansionary policies at that time would have been irresponsible; it would have meant adding fuel to an economy which did not need it.

People can criticize today, and say the forecasting was poor, but I have not so far heard any specific suggestions from the opposition parties as to ways in which forecasting can be improved. Every country in the world is finding difficulties in forecasting today because no economy is completely closed; we live in an interdependent world and all sorts of factors enter into economic forecasting. I agree we should seek out means of improvement, and I have myself made suggestions with this in mind. Some time ago the Leader of the Opposition (Mr. Stanfield) suggested that an independent short-term forecasting body be set up. I would personally prefer to see the staff and authority of some of the existing short-term forecasting bodies increased. I submit they should be subject to political control and be more responsive to political needs.

The leader of the NDP said the policies presented tonight by the government, though good as far as they went, were inadequate. Unfortunately, as is often the case when he gets warmed up in a debate, he engaged in personal attacks on the Minister of Finance and other ministers. The hon. member for Yukon (Mr. Nielsen) who spoke before me, did the same thing. I do not know in what way this sort of thing can add to the value of a debate such as this. The hon. member for York South (Mr. Lewis) spoke about complacency. He accused members on this side of being complacent with respect to the economic conditions. I think the hon. member confuses noise and volume with interest. He and other members on that side of the House get up and make loud noises, feeling they are showing great interest in a situation. Members of the government, studying the situation in depth, are not making a great noise about it, but the hon. member and his friends regard this as an expression of complacency. Mr. Speaker, seriousness cannot be judged in terms of volume.

One interesting thing about the speech of the leader of the New Democratic Party was this: although he represents a more or less socialistic party he came forward with no real alternative solution. He launched the same type of attack as did the leader of the Official Opposition. He approved in general of what was being done, but said we should have done more of the same a little bit sooner. He offered no real alternatives. In a free, mixed economy such as ours there are not so many alternatives available. It is a question of mix, of timing, of political wisdom and forecasting—and nobody is perfect in all these respects. Nevertheless, I submit the timing was good in view of what was known at the time.

The opposition accused the government of being complacent to the extent that no action was taken. I repeat

[Mr. Allmand.]

that the budget of June 18 was a significant budget and that it was recognized as being so at the time. As a matter of fact, most of the members of the opposition stated then that we were about to call an election because it was such an expansionary budget. They claimed in the press and on television that it was the type of expansionary budget which necessarily led to an election. Now, they are saying that nothing was done on June 18. I submit the government took a significant step on June 18, but since then new elements have entered the picture, elements which could not have been predicted. We are now accused of over-estimating the effect of the United States surcharge. Maybe the opposition is under-estimating it tonight, although a few weeks ago they were placing much more emphasis upon it for political purposes. Now, they are saying it has nothing to do with the situation.

The hon. member for York South said he would like to put forward a program which would create 250,000 new jobs. The proposals he had in mind for bringing this about involved more of the same which would mean, I suppose, an even greater deficit. He says the measures which have been introduced will not lead to employment on that scale. I do not know what evidence he relies on to support his own judgment.

Mr. Orlikow: You mention a figure. How many jobs will be produced? That will be seen.

Mr. Allmand: I am not an oracle or a prophet like the hon. member for York South. I believe the measures which were presented to the House tonight are significant and will lead to a great increase in employment.

Mr. Orlikow: How many jobs?

Mr. Allmand: I shall not predict. It is easy to predict when you are in the opposition. You can make all kinds of predictions, and you are bound to be right one time or another.

The leader of the NDP also criticized the government for not consulting with the provinces before introducing this program. He spoke about credibility. I wonder where this leaves his own credibility. If I am not mistaken, it was only a few days ago that he and his party were suggesting that the government should present a program without consulting the provinces. His supporters were saying that if it was not possible to get agreement on an earlier federal-provincial conference, the government should go forward with its plans now and let them be known at once. Tonight he criticized the government for putting these proposals forward before consulting the provinces.

An hon. Member: That should have been done last July.

Mr. Allmand: You fellows will have your chance to speak. This debate can go on all night. The Prime Minister pointed out, in answer to questions, that he had tried to arrange a meeting with the provinces as long ago as last June. He took the initiative in that connection. If a meeting was not held, where does the responsibility lie? A date was set for December. The Prime Minister said he would prefer the meeting to be held earlier. We all hope he will have these meetings soon.

• (10:20 p.m.)

The leader of the New Democratic Party suggested tonight that in putting forward these proposals and pro-