

trough of the recession in December 1982, the output of the Canadian economy, as measured by the gross domestic product, has increased by nearly \$6.3 billion, or 5.6 per cent. The 5.6 per cent growth obtained since the beginning of 1983 compares very favourably with the 2.3 per cent real growth forecast for 1983 in the federal government's April 1983 budget. If anything, this shows that the recovery is proceeding at a much faster rate than expected. This higher-than-anticipated growth has resulted in a substantial improvement in the employment situation. The major source of growth in output has been the Canadian economy's industrial production sector. In the third quarter this sector's output jumped by 4.4 per cent. This followed two substantial increases in the first two quarters of 1983. The gains in industrial output obtained since the beginning of 1983 brought the industrial production of the Canadian economy to 15.1 per cent over the low point set at the depth of the recession in December 1982. Canada's trade commissioners have embarked on an aggressive campaign to promote exports in traditional and non-traditional areas of the world. In pursuit of this objective, the Prime Minister visited a number of countries last summer in the Pacific Rim where our opportunities for increased trade are very promising.

In addition to Japan, whose economic power is well established, there is an increasing number of Asian states—such as Hong Kong, South Korea, Taiwan and Singapore—rapidly joining the ranks of industrialized countries. In addition, there are the Asian countries that, although currently in the less developed category, seem headed for rapid growth in the 1980s. The economic growth that is expected to take place in this area of the world in the coming years could lead to increased export opportunities for Canada. An example of such gains is the high growth of the Japanese economy during the 1960s and 1970s, which led our exports to that country to increase from \$178 million in 1960 to \$4.5 billion in 1982. Similarly, our exports to South Korea during the same period increased from \$4 million to \$490 million. Average growth rates of 6 to 10 per cent consistently characterized the economic performance of most of these Pacific countries during the 1970s. While the projected growth rate of these countries is expected to be somewhat lower in the 1980s, it is still expected to remain in the 5 to 8 per cent range.

While a major portion of our exports to these countries will be industrial raw materials, energy-producing commodities and foodstuffs, these countries have shown an increasing propensity to import fully manufactured Canadian products. An example of this is the purchases by South Korea of a Candu reactor and a very big telecommunications package from Northern Telecom. This propensity can reasonably be expected to be maintained as long as these countries remain in their economic take-off phases. It is interesting to note in this regard that our exports to Asia increased by nearly 9 per cent in 1982, notwithstanding the world recession.

The Canadian government has taken a number of steps to give greater impetus to some existing economic programs and initiatives. Just to mention a few, more funds will be made

[Senator Bosa.]

available for the Natural Sciences and Engineering Research Council, for stabilizing employment in the automobile manufacturing industry, for promoting the tourist industry, for forestry research and development, and for the farming and fishing industries.

In every serious situation the eternal optimists contend that there is always a silver lining. In its early stages, the recession, in combination with high rates of inflation, caused our sense of community to deteriorate. Each major group in society sought to blame economic decline on someone else. However, later on Canadians recognized that to avert the downward spiral they needed to turn away from past divisions and work together in order to restore growth and prosperity. This new co-operative spirit has already produced tangible results, but more needs to be done.

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The Minister of Finance has already begun a new round of economic consultation with provincial governments and other economic partners. A new industrial and regional development board, chaired jointly by representatives of labour and business, will be formed in order to provide practical advice on how best to implement the government's industrial policy.

Labour has been, and should continue to be, a full partner in the process of economic recovery. Workers deserve a fair share of the recovery benefits and an equal voice in the resolution of issues having to do with technological change and productivity improvements. A system of awards will be inaugurated to recognize the contribution of companies, labour organizations and individuals to Canadian productivity and competitiveness. We are seeing the dawning of a new era in labour, management and government relations.

The strength of a democracy is measured by the way it treats its minorities. I do not mean just ethnic minorities: I mean the economically destitute and the handicapped.

The government intends to introduce legislation which will increase the guaranteed income supplement for single pensioners, providing additional assistance to more than 700,000 Canadians. The entire area of pensions at retirement is under review. The government is committed to improving the adequacy and fairness of our retirement income system. It is also committed to maintaining the equitable system for payment of medical care and hospital costs built up over the past two decades. This system must not be eroded and eventually destroyed through extra charges to the sick. A new Canada Health Act will be introduced in order to clarify the objectives of the Canadian health insurance system.

There will be various amendments made to the Criminal Code allowing for stiffer penalties for drunk drivers in order to keep them off the roads.

A new provision will be introduced which will give statutory recognition to the government's policy on multiculturalism. Thus, the government completes a commitment to Canada's multicultural society which began in the summer of 1963 with the appointment of the Royal Commission on Bilingualism and Biculturalism. Our esteemed Deputy Leader of the Govern-