

in Canada on the question of decontrols. One can only ask if it is not evident to him that we have commenced the process of decontrol by careful consultation with other governments and with other economic decision-makers in the country. If we cannot do it by consent, then he should not rise in the House to complain about this government being arbitrary. He is suggesting the most arbitrary course of all if he is suggesting we should take off the controls by a single federal decision.

Mr. Stevens: How will you get yourselves out of trouble now, tell us?

Mr. Macdonald (Rosedale): The Leader of the Opposition spoke about distortions in investment due to the Anti-Inflation Board. That is not what the Conference Board said. The majority of the 200 corporations which have been canvassed by the Conference Board found that the anti-inflation program has not affected adversely their investment decisions. The hon. member for Don Valley (Mr. Gillies) said we should have an advance discussion in this House of the trends in the economy. One might have expected an informed, accurate, relevant discussion by the Leader of the Opposition of his perception of the economy, but I have quoted some examples of the kind of garbage, if I may say so, that he laid out on the record—and then got up and ran away.

Some hon. Members: Hear, hear!

Mr. Paproski: He wrote you a letter telling you why we had to leave.

Mr. Hnatyshyn: You are the spokesman of a dying government.

The Acting Speaker (Mr. Turner): Order, please. The Minister of Finance has the floor. I ask hon. members to allow him to speak.

Mr. Macdonald (Rosedale): I will say to the whip of the Conservative party that the Leader of the Opposition chose today to move his motion. If he had wanted to hear the debate on the matter, he could have stayed here.

Mr. Paproski: He wanted to hear from you. Make your comments.

Mr. Macdonald (Rosedale): It would be neither realistic nor responsible to pretend that the factors which influenced economic events in Canada are subject to control by the government in a way which lends very great precision to the setting or achievement of the kinds of detailed goals referred to for growth and employment. These are facts of life which do not just apply to Canada; they are common to all the industrial democracies. They reflect the growth of interdependence in the international economy. This is of particular significance to Canada as a major trading nation which is dependent for its livelihood on success in foreign markets and a capability to meet import competition.

The growth of interdependence which has occurred in the international economy has a positive side to it as well. It has

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been accompanied by a great degree of co-operation and harmonization in the development of economic policy by the nation states. Canada has participated in that process both in the economic summits and through its role in the International Monetary Fund. There are now continuing efforts to develop an effective response to the major problems of inflation and unemployment. The economic summit to be held in London in May will provide a further opportunity for countries to assess the progress made to date on both fronts and to consider the prospects ahead. But the record shows that there are, and will be, elements of uncertainty and unpredicted developments which have to be acknowledged in economic management.

We have had in recent years the enormous economic shock from the quadrupling of oil prices by the OPEC countries. This has meant that the dependent countries have suffered a substantial loss in their real income and purchasing power, affecting consumer prices and industrial costs in a dramatic way. That single external event has had and continues to have major repercussions on growth and employment and the balance of payments.

● (1730)

We have seen the dramatic impact of climatic conditions on food production and supply, leading to large swings in food prices and agricultural incomes. We have at present to consider the possible impact of drought conditions on the western agricultural economy which introduces a further element of uncertainty this year.

Because of our important trading relationships we are much influenced by the policy actions taken by other governments, particularly the United States, Japan and West Germany. The record of growth among the OECD countries in 1976 was less than anticipated, and this has had an effect on our own growth performance. I should make clear that the growth of output in the OECD countries has been less than was forecast by the OECD in the July economic outlook.

Mr. Stevens: Tell us what your forecast is.

Mr. Macdonald (Rosedale): These are some of the realities which limit the precision of economic forecasting. They are part of the parameters of economic policy making, beyond the direct control of any particular government. They are a recognition also of the highly decentralized system of decision-making which is fundamental to the industrial democracies with their emphasis on the role of the marketplace.

While our economic policy is designed to give greater stability to the path of economic growth and expansion, it does so in concert with the major role of the private sector in Canada. We reject the kind of dirigiste, ever present government control which is implied by detailed planning of the economy and in the five-year plan idea set out by the Leader of the Opposition in his speech.

Mr. Stevens: How can the Americans do it, but we cannot?

Mr. Macdonald (Rosedale): As between rigidity and flexibility to meet changing circumstances, it seems to us that the