

they are today, many more companies would now be in bankruptcy than has been the experience, and the profits of other Canadian firms generally would be very much lower, and business capital investment would be very much lower indeed.

Those are the certain and inevitable consequences of the fiscal and monetary policies—

**The Acting Speaker (Mr. Boulanger):** Order, please. Is the hon. member rising on a point of order?

**Mr. Stevens:** Mr. Speaker, I wonder whether the minister would permit a question.

**Mr. Macdonald (Rosedale):** I would be delighted to do so, but since I have only 30 minutes I think I should be entitled to finish my speech and then entertain a question.

I would just remind the House that this policy prescription, which I consider a prescription for disaster, is directly contrary to the course that almost every other industrial nation has adopted over the course of the past several months, namely, that of expanding their fiscal and monetary policies in an effort to pull their economies out of the deep recession into which they plunged.

What of the Conservative position on the question of price and income restraint? I am sure it is not necessary to recount that story of conflict and contradiction at any length. But I might briefly recall the official opposition's advocacy of comprehensive wage and price controls early in 1973 at a time when they clearly would have been totally ineffective in holding back the tidal wave of inflation sweeping around the globe.

Indeed the election campaign waged by the Conservative party in favour of controls in 1974—and incidentally the restrictive monetary, fiscal and consumer credit policies also advocated by the Conservative leader—was at a time when the world was heading into a recession. Then we have the incredible admission in a speech to the Toronto Kiwanis Club on September 3, 1975, by the Conservative architect of controls, the hon. member for Don Valley, that the proposal had lost any validity it might have had when world oil prices were quadrupled, but the party refused to alter its position despite its obvious absurdity.

Finally, we had the spectacle of the official opposition having voted in this House for the bill on second reading and then voting against the third reading of the Anti-Inflation bill because it would have been in effect some months longer than originally proposed by the Conservative party during the 1974 election campaign.

I suggest that this motion condemning the government for failing to follow policies which enhance growth and stability, coming from a party which has urged the adoption of measures that would have had the certain consequence of plunging the economy into severe recession, and coming as it does from a party which has opposed the present national undertaking to restore Canada's competitive position, cannot have been made seriously by the hon. member.

They cannot have it both ways. They cannot stand in this House and on platforms across the country and advocate drastically restrictive fiscal and economic policies which would cripple output, employment, and real incomes

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in Canada, and at the same time argue with any credibility that the expansionary policies we have pursued have hampered the growth and stability of the Canadian economy. They cannot at one moment stand in this House and demand that the growth of the money supply be sharply curtailed, as is so often heard in this House, and at the next rise to deplore rising interest rates which are the inevitable consequence in the short term of efforts by the central bank to moderate the growth of the money supply. They cannot deplore the current level of unemployment and at the same time advocate restrictive economic policies that would drive it infinitely higher.

The final point I should like to make is with regard to the withdrawal of the Canadian Labour Congress from federal consultative bodies such as the Economic Council and the Canada Labour Relations Council. What this will mean is that the formal leadership of the Canadian labour movement will not participate in the discussion on policy making at the critical point when we are considering what policy changes are appropriate for the post-controls period.

● (1640)

The chairman of the CLC at the meeting 72 hours ago suggested that the labour movement looks forward to further consultations on the question of the post-controls period, and we would welcome further consultations. We suggest to him that he and his colleagues should reconsider the decision to withdraw from the federal consultative bodies, which would facilitate that kind of consultation on the changes to take place. Indeed we found it rather contradictory that just 24 hours after the chairman of the CLC had complained that labour was not being consulted sufficiently, or had complained that the consultations which were taking place were not occurring with the business community there, after those two expressed complaints made 300 feet away in the Railway Committee Room of this House, we found the council as a whole retiring from two important groups, the Economic Council of Canada and the Canada Labour Relations Council.

The French have a very wise maxim that "les absents ont toujours tort", those who are absent are always wrong. In discussions in the coming months leaders of organized labour risk putting themselves in a position of not being able to participate in these discussions and not being able to add their experience to these discussions. That is not to say that organized labour will be without representation in these discussions.

I myself and my colleagues who represent members of organized unions will have a full opportunity to participate, in our weekly contacts with our constituents, with the thousands of members of the labour movement with whom we meet on a regular basis. Indeed it is clear that the leadership of individual unions will be continuing to seek contact with the Government of Canada on these important questions. But I say—and I say it not in anger—that the country and the over-all membership of organized labour stand to benefit from the participation of their leaders, talented leaders in this field, in the kind of decisions that we as a country have to agree upon, and therefore it is important that we should have the opportunity again of being able to consult effectively with them. I hope they will reverse their decision.