

Canadians, rather than as one province competing against another for foreign markets, we can expand our export sales and further increase our trade surplus.

I am pleased to point out that this concept, developed by people on this side of the House in consultation with producers and organizations, is endorsed by the Canadian Federation of Agriculture, and that endorsement is included in the submission which will be presented to members of the Standing Committee on Agriculture on July 16 of this week. This move alone is a step in the right direction to update our economic development policy.

● (1730)

Farmers in Canada are ambitious. They like to produce, and through the Canadian Agriculture Export Corporation we intend to give them that opportunity. Before I leave this topic of economic development, I would like to point out that the U.S. department of commerce has recently published a report on the investment intentions of foreign affiliates of U.S. companies. Evidently they intend to expend \$11.3 billion in Canada in 1980. This fact alone indicates the confidence of other nations, brought about by the return of responsible and stable government in Canada. But we must exercise caution in this area to ensure that we expand Canadian controls over our economy while increasing the benefits to all Canadians.

In response to the hon. member for Kootenay West (Mr. Kristiansen), I believe that the minister has effectively outlined his intentions to beef up FIRA. Hon. members will recall that back in 1966 the U.S. government issued some direction for the guidance of U.S. multinationals and other investors. This led to the promulgation, partly as a defence measure, by the Canadian government of a set of guidelines for Canadian subsidiaries of foreign firms, the so-called Winters guidelines. In 1975 these guidelines were revised and updated and referred to as "New Principles of International Business Conduct". Both the 1966 and the 1975 versions outlined in general terms Canada's expectations of foreign-controlled enterprises in such matters as export effort, sourcing in Canada, and so on. Nor is Canada alone in this area.

Aside from the U.S. action in 1966, many other countries have from time to time provided guidance of this sort. Most significantly, the Organization for Economic Co-operation and Development which, as hon. members know, includes in its membership all non-communist developed countries, issued in 1976 guidelines for multinational enterprises. They place a good deal of stress on the need for foreign subsidiaries to observe and, as far as possible comply with, the policies and priorities of host country governments, that is to say, of the governments of the countries in which foreign subsidiaries carry on their operations. In a sense this provides a framework, if any is needed, for a measure of the type the Canadian government clearly has in mind and to which the minister so eloquently referred earlier today.

In closing, I would like to suggest that in total perspective Canada has a coherent economic development policy, and to those of us who have taken the time to make the comparison to

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which I referred earlier, and when we consider the proposals which I have included in these remarks today, Canada ranks among the leaders in the free world.

**Mr. John Thomson (Calgary South):** Mr. Speaker, I find it strange that the hon. member who last spoke would end his remarks on the note that Canada considers itself a world leader.

In looking at a press quotation of the OECD which was published the other day, they say with regard to Canada:

As a result, some Canadian economists believe the OECD forecast to be slightly too optimistic, with a consensus developing that Canadian real GNP will actually decline by about 0.5 per cent in 1980.

Nevertheless, the OECD forecast presents a gloomy picture of Canada's economic outlook.

Canada is expected to be the only country of the seven major industrial nations, including the United States, Britain, France, West Germany, Italy and Japan, not to show a decline in its consumer price inflation rate over the coming 12 months.

The OECD expects the inflation rate to rise to 10 per cent in the second half of 1980 and stay at that level in the first half of 1981.

In addition, Canada will be the only one of the seven nations to show a deterioration in its current account balance during the 12-month period. Canada's current account deficit, which had narrowed to \$4 billion at annual rates in the first half of 1980, is expected to be \$7.4 billion during the 12 months ending next June 30.

It is hard for me to understand how the hon. member can say that this presents a very optimistic view as to where Canada is going. I heard the Minister of Industry, Trade and Commerce (Mr. Gray) say earlier what his government would do for Canada. I would like to ask him what this Liberal government has done to Canada over the last 15 years? I say that the Liberal government involvement in the Canadian economy over the last 15 years has ruined the Canadian economy. We are no longer competitive, and that is the problem with our trading position, which is deteriorating seriously and rapidly.

Our unemployment situation is deteriorating and is continuing to deteriorate through the policies of the Liberal government. It talks about economic nationalism. Economic nationalism is a sickness and a disease. The Liberal government believes that Canada can live as an island unto itself, that 24 million people can live in this world and be economic nationalists. That is absolute rubbish. This is the government which has given the Canadian people a national energy policy. What policy? It is a sham.

The only thing which the Liberal government, and particularly the Minister of Energy, Mines and Resources (Mr. Lalonde), have done is to fan the flames and to warn the provinces by comparing the actions of Alberta to the separatist motives in Quebec. That is certainly not a good way of going about getting the provinces to agree. The Minister of Transport (Mr. Pepin) has suggested that Alberta is engaged in a war over economic sovereignty and compared it with Quebec. Is it any wonder why westerners today cannot understand the federal government and its policies? Why is it that westerners must pay at least internationally competitive prices and, in many cases, more for commodities which are sold to them from eastern and central Canada, but they are not entitled to