

for government. Obviously, they did not intend to do anything worth while in these areas for the Canadian people.

**An hon. Member:** Tell us about Trident.

**Mr. Roy:** What about the Arrow?

**Mr. Gray:** It was also the Conservative government's decision and so, presumably, part of its stance on economic development, to follow the OPEC cartel and make the price Canadians have to pay for oil and gas susceptible to every move of those international oil producers. With one fell stroke they would have robbed Canada's industry of its competitive edge, an edge that we have a right to expect because of our rich energy resources which are virtually unparalleled among industrialized countries.

[*Translation*]

In fact, this matter concerning oil prices was vital to our economic revival and it will remain so for a long time. To be competitive on foreign markets and stay in the vanguard of technological progress, Canadian industry must take advantage of everything likely to give it an edge over its competitors. We certainly have a highly skilled labour force. We have also an excellent technological base in most areas where markets are developing. However, we have a problem because of the small size of our market as opposed to our vast territory. We must therefore bank everything on what we have that is most precious, that is completely ours; in other words, our natural resources. This is precisely what the Progressive Conservatives did not want to do when they decided to raise the price of Canadian oil to the international level.

[*English*]

But what else was there in the Conservative program for Canada's economy? Of course, there was a Conservative budget which amounted to the biggest one-time assault on taxpayers' pocketbooks the country has ever seen, which was roundly defeated in this House and at the polls.

**An hon. Member:** We do not sneak things in on Friday afternoons.

**Mr. Gray:** And there was the Conservative intention to cede essential jurisdiction with regard to resources and the economy through which the federal government, and in my view only the federal government, can ensure that Canada works well for all its people.

Finally, during the brief Conservative government there was talk of some kind of big conference that would be staged—and I use the word "staged" advisedly—so that the business community and government, perhaps others, could discuss Canada's economic problems and prospects. This talk persisted even as the need for action in the industrial development field grew urgent. As I have said, nothing was done to safeguard the 40,000 Canadian jobs directly dependent on the continued existence of Chrysler of Canada. While nothing was done definitively to launch Canada's microelectronics industry into the ultra competitive world of the 1980s, while nothing was

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done to implement a coherent national industrial policy for all Canada, and while little else was done, the Conservative government tried to get ready to talk about all this, but only next fall.

**Mr. Wilson:** Who created the unemployment in the first place?

**Mr. Gray:** The approach taken by hon. members opposite in relation to their responsibilities as a government for the Canadian economy was consistent. It was consistent with that age old Conservative ideology which sees government involvement in the economy as meddling in the affairs of the private sector and places absolute faith in Adam Smith's concept of the invisible hand of market forces. Not surprisingly it did not and could not work. For the Conservative brand of nineteenth century laissez-faire is unrealistic and wholly out of keeping with present day requirements for sustained and regionally balanced economic growth.

● (1640)

We are, after all, living in a time of economic uncertainty, a period when Canada, like every other country, is having to cope with persistent inflation, interest rates that are still high although certainly lower than they were at the time the Conservatives were in office, a slow rate of economic growth, increasing energy costs and the threat of shortages, as well as higher unemployment than anyone wants. Moreover, as we look to the immediate and medium-term future, Canada confronts the bleak prospects for the world economy laid out in last week's OECD report, we face growing competition in international markets in the wake of the GATT agreements, and we can expect to encounter the results of substantially increased government support for industrial development on the part of our major trading partners.

In these circumstances, probably more than at any time in our history, there is for the Canadian government an especially formidable responsibility to be an energetic participant in the economy and to vigorously promote and support optimal development and utilization of the country's human, natural and capital resources.

The Liberal government quite fully appreciates the number and magnitude of the problems which challenge our economy. We know there are no magic or simple solutions, particularly at a time when our major customer, the United States, is in a deep recession. However, we have assumed the responsibility which we believe to be incumbent on the federal government to use all practical means available to protect and enhance national economic and social well-being to the maximum realistic extent possible in our interdependent world.

This is the commitment which we have made to the Canadian people. It is a commitment which we intend to fulfil in accordance with the five principles of industrial development policy which were spelled out by the Prime Minister (Mr. Trudeau) during the last election campaign. Those principles are to capitalize on our energy base to build an industrial sector that is competitive worldwide; to ensure that the federal