

Canadian Economy

society should learn whether they are responsible for setting prices or wage rates. I have in mind particularly the period after April, 1978, when controls are dismantled.

The important thing is that the outlook is positive. In the opinion of the governor of the bank we have come back a long way from where we were. Inflation is down, increases in labour costs are more in line with those occurring in other countries, and governments generally are beginning to exercise firmer control over their expenditures. The governor has also indicated that the rate of monetary expansion is being reduced. He emphasized, too, the benefits which Canada has derived in terms of the export trade from the decline in the value of the dollar. Here is one important Canadian who has been prepared to state publicly that he sees a solid basis for a more satisfactory rate of growth and output in the coming year.

All Canadians realize that unemployment rates are high, and there is no indication that they will decline substantially in the next while. This is an area to which governments will need to address themselves constantly. There are no magic solutions. Increased productivity will have a bearing on this situation. We ought to be talking more about employment rather than unemployment, and recognize that more and more Canadians are entering the work force. In considering the INCO situation, for example, great emphasis has been placed upon the fact that the current jobless figure may move as high as 15 per cent of the work force in Sudbury. But very little has been said about the 85 per cent of INCO workers who will continue to be employed in that important industry.

Consumer confidence is essential. Hopefully, this is one area in which Canadians have bottomed out, in lack of confidence. The signs are that they are looking to the future with a greater degree of optimism. There are indications that auto sales will rise substantially in the next six months. The outlook for home buying and appliance sales is good. Fewer people intend to travel outside Canada, a trend which will have an important bearing on our tourist deficit. Canadians seem to be responding to the situation and making plans to travel more in this country.

The trade balance is now favourable. I was looking at some figures for the United States where there is a serious imbalance. The separatism issue in Quebec will present a problem for some time to come. It has already adversely affected investment in the province and has a bearing on the over-all investment picture in the country. We shall have to live with this situation and work our way through it; there are no overnight solutions.

This country has been given praise internationally for the way in which inflation has been controlled over the past few years. The impact of price and wage controls has been regarded by the majority of Canadians as an important foundation upon which we shall be able to move ahead in the years to come.

Recently some people have been concerned about an article which appeared in a very reputable financial paper, *The Economist*, predicting all kinds of bad things for Canada in the coming decade. As against this, there appeared an article

[Mr. Martin.]

in the equally reputable *Financial Times*, probably the leading financial paper in the U.K., expressing great optimism with regard to Canada's future and potential. In it the separatist threat is minimized. On the other hand *The Economist* magnifies that threat. The *Financial Times* is positive about our energy prospects, an area into which 44 per cent of future capital investment in this country will go.

This morning there appeared before the Standing Committee on National Resources and Public Works representatives of Atomic Energy of Canada. Their replies to questions put to them by the revered member for Nanaimo-Cowichan-The Islands (Mr. Douglas) gave us some idea of the extensive plans which are being prepared for future nuclear generating stations in Ontario. We can say what we like about the use of nuclear power to meet our energy requirements, but each of these generating stations represents a tremendous capital investment leading to the employment of many thousands of Canadians. The same can be said of the northwestern natural gas pipeline, construction of which will begin in the eighties—the largest project ever undertaken by private capital on the North American continent.

These are positive aspects of our economy, and our young people in particular ought to know about them. Today all forms of the media are emphasizing the negative aspects far too strongly. Unfortunately, they are taking up the approach being made by the opposition parties in whose political interest it is to push this type of news in order to grasp headlines for themselves.

A week or so ago the Minister of Industry, Trade and Commerce (Mr. Horner) was in my riding speaking to a group of about 80 people at one of our town hall meetings. Normally the people of Scarborough West do not give standing ovations to anyone, but they gave the Minister of Industry, Trade and Commerce a standing ovation that evening after his off-the-cuff delivery and his answering of questions.

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Some hon. Members: Hear, hear!

Mr. Martin: The main reason for that standing ovation was the positive news he was conveying about where this country was going and its potential for the future.

Opposition parties indicate that the government is doing nothing or very little in an attempt to bolster the economy where it is weak. The Export Development Corporation is an incredible organization, to use as an example, to defeat this argument. In one year alone it has assisted Canadian exporters to gain contracts in 29 countries. In the 15 year period from 1961 to 1976, it helped finance export contracts in 66 countries. All these individual contracts and sales involved jobs for many Canadians.

There has been a suggestion that INCO is exporting work to other countries. In the case of the project in Indonesia, that equipment was produced in this country and financed by the Export Development Corporation. It was responsible for 3,000 man-years of work in Canada. How can that be interpreted as