

Canadian Economy

Mr. Deputy Speaker: Order, please. I suggest that is a matter of argument rather than a point of order. The Minister of Industry, Trade and Commerce (Mr. Gray) has the floor.

Mr. Gray: Unlike the hon. member, who in my view is abusing the rules of the House with spurious points of order, Mr. Speaker, I am responding to the only real point I can find in his motion where he talks about policies requiring efforts to improve the stability, competitiveness and productivity of the Canadian economy. I think I am responding to whatever merit there is in his motion, even more so that the hon. member did in presenting it.

An hon. Member: Tell us about interest rates.

Mr. Gray: This Opportunities in Mining Conference was a unique and very successful form of government and private sector, federal and provincial government co-operation. Its purpose was to bring together the Canadian mining industry and Canadian manufacturers to enable much more of that industry's more than \$1 billion in annual sourcing of products, services and equipment to be purchased right here in Canada.

The hon. member in his speech spoke critically of the federal government's efforts in the area of trade. Last year we had a record merchandise trade surplus of some \$8 billion, more than double the previous record. This government is making significant efforts to build on this success, responding to requests from the private sector for increased support for export promotion.

We realize that expanding and diversifying our exports is a key element in bringing long-term stability, productivity and competitiveness to our economy. But as I said earlier, the opposition finds it very hard to learn, and what little its members do learn they very soon forget. So it bears repeating to them that the Government of Canada is now providing funds to our Export Development Corporation to enable Canadian companies to match concessional terms being offered to foreign companies by their governments, and thereby enable our Canadian companies to meet more effectively international competition in export markets. We have also greatly increased the budget of the program for export market development and the trade fairs and missions program of our department, providing substantial additional funding to assist Canadian companies directly in their export efforts.

To conclude, I want to say that this government's policies certainly are not destroying the stability, productivity and competitiveness of the Canadian economy as alleged in the opposition's spurious motion. The statistics, not only in Canada but those developed by international agencies like the OECD, show that when looking at growth in employment, including manufacturing employment and the over-all growth of our economy and the balance of trade, the government's policies are in fact strengthening the stability, productivity and competitiveness of our economy.

As I said at the outset of my remarks—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister but the time allotted to him has expired.

Mr. Scott Fennell (Ontario): Mr. Speaker, we have now had a dialogue on the lame-duck Liberal industrial strategy. It would have been more appropriate had the minister in this debate used some of his words I can quote from the past. He said, for example:

—because of the harmful effects of high interest rates on consumers, businessmen, especially small businessmen, and the entire economy, there should be an urgent study by the Finance Committee, where the Governor of the Bank would come, and the Minister of Finance—

That is from "The Watson Report". The minister made that statement on October 15, 1979. That is what he should be addressing today rather than the lame-duck industrial strategy that has not worked for 12 years. His industrial strategy has brought us the worst record in our history.

Then we hear our friends to the left in the frivolous rump attacking us. Why do they not attack the government? They have all these marvellous industrial strategies; why do they not tell the government what to do? I doubt if the minister would listen anyway.

It is interesting to note that this debate was commenced because of the economy and high interest rates. In 1968 when this government came to power the average interest rate was 6% per cent. This year it will average 17% per cent. That is almost a 200 per cent increase. The debt in 1968 was \$20 billion. It has now gone up sixfold plus, from \$20 billion to \$120 billion-odd. I do not know how far it has gone. It is going up so quickly you cannot keep up with it. Inflation has gone from 3 per cent to 12 per cent. It is interesting that all these statistics are in relation to each other, and this tells me that the government has been on a bad track, that it should get off it and start running this country.

We know and it has been proven, and I believe it will be proven even more strongly south of the border, that these interest rates have been brought about because of wasteful government spending over the past number of years. It is tragic what this is doing to the country, it is tragic what it is doing to our citizens, and it is tragic what it is doing to Canadian business. Every time the government has to borrow more money it sets up a chain reaction. The people who lose are those in Canadian business, Canadian citizens as a whole and the entire country. Canadian business is all small. Only the multinationals from other countries are really big business in this day and age. We are not helping small business by providing them with relief from the interest rates they have to pay during these dire times.

Last weekend I was talking to one of my constituents who had bought a business when interest rates were 9 per cent. His money was on a demand loan and he does not qualify for the special bond. He said that now that rates are 20 per cent his business is no longer economically viable. This is what this government is doing to this country.

All the government has done so far during this session is hammer at one segment of our economy. If any corporation,