

Economic Conditions

I submit, Mr. Speaker, that we are, indeed, in a crisis situation, and unless we have a government which is willing to look at that type of problem beyond the next election then it will not win the next election. Of course, if you promise money for research and development then the public will not necessarily vote for you. That is the trouble with our democracy. If you promise money for research and development for some time way down the road, then that does not win the next election. So I hope, Mr. Speaker, that the present government will take a serious look at the situation, especially after this debate tonight, and perhaps give our research community a little better chance to help rectify the present situation.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, it is a privilege to enter this debate, although I must say that I had to wait quite a decent time before I could stand up to speak. It was all night—an indecent time. Yes, I am still standing up.

I must say this is an important debate and as I understand it, although my experience here is not long, it is a rare occasion when the Chair accepts a motion under Standing Order 26. The Chair, at least, recognizes that there is an economic crisis in Canada and that this matter requires debate. The reference in the motion which my leader and my party put forward to the rises in the cost of living—now the highest since March of 1975—and interest rate increases which have really gone through the ceiling, above all previous levels, is clear evidence that we have a real problem which requires the attention of this Parliament and of this government. Now, by virtue of the Chair accepting this motion and allowing the debate, the Minister of Finance (Mr. MacEachen) was at least forced to address the economic situation in Canada today.

I would like to review a little of what the minister had to say and to comment upon it. Clearly, what he had to say was in no way adequate and he did not finish by giving us any promise of action. Perhaps after this night of admonition to the government, and of advice, they may have a change of heart. It is not likely that that will occur, but at least they do have an opportunity for that to take place.

The Minister of Finance started off by acknowledging that there are economic and inflation problems. He even admitted that these problems were getting worse. This seems to be his strategy, and one which he set out a long time ago when he brought down the budget which, incidentally, was very delayed in coming. Obviously he had thought this matter through because he outlined clearly in that budget that we had very serious and deep economic problems. Now he is able to say in the budget that he acknowledged these facts. The problem is that he did not follow them up with any action.

He goes on to say that there is nothing that Canada can do, that we are influenced by forces outside our borders and that the problems we are facing today, the interest rate problems, do not originate in Canada. He says that what happens in the United States influences what happens in Canada and so on.

Of course, Mr. Speaker, he never tells us why we are so vulnerable to outside influence, and clearly that has to do with the fact that we have a very weak industrial base. We have the

well-known branch plant economy, and if the successive Liberal and Tory governments had, a long time ago, done something about an industrial strategy for this country we would not be so vulnerable today to influences from outside our borders.

Some hon. Members: Hear, hear!

Mr. Keeper: The minister somehow attempts to deal with the criticism that somehow or other we simply fall into step with the Americans with respect to interest rates. But he does it in a rather unique and very unconvincing way. He says simply that because we have a lower rate of interest in Canada we are therefore not following the American interest rate. Well, really, we are following it, but it is simply another endeavour on the part of our finance minister to finesse his way out of a very difficult economic situation in which he should rather be accepting responsibility and taking action. We have become familiar with the capacity of the Minister of Finance to finesse his way out of economic responsibility. He clearly demonstrated this when he brought down his budget and hid the taxes he was imposing upon Canadians. He hid the measures which were leading to rises in the cost of living. So he is certainly a master of finesse even if he takes no action on financial problems.

But the minister's chickens are beginning to come home to roost. The fact that we have been having this debate all night and are continuing on into today clearly demonstrates that people in this country are beginning to recognize that the government is not facing up to its responsibility for economic policy in this country.

Another criticism that the minister deals with—and obviously quite inadequately—has to do with the question of why it is that Canada is so vulnerable to outside influences in regard to interest rates and other economic matters when Japan is not. Why not Japan? The minister simply labels that as a juvenile question. He does not choose to deal with the substance of it, which I suggest has a great deal to do with the fact that Japan has an industrial strategy while Canada never has had one, certainly not a serious one. He also deals with the criticism which has been thrown at the government that people are hurting—particularly the low-income earners—by the lack of an economic policy of this government. He reels off and names the whole array of social programs which we have developed in this country over the last several decades—old age security, guaranteed income supplement, family allowances, unemployment insurance—and, of course, he indicates that they are all indexed. He fails, of course, to mention that they never would have been indexed if the government opposite had not been pressured into that indexing during a minority parliament.

● (0850)

Mr. Cullen: That was in a minority Parliament.

Mr. Keeper: My colleague indicates that this indexation was brought in during a minority Parliament, and it was due to pressure from the New Democratic Party. But now the minister is attempting to put a veil over things to fool us and make