

in Canada. The hon. member has twisted reality. He has given us a distorted picture of the day to day life of Canadians, and above all a contorted representation of the strategy conceived by the Minister of Finance in his budget of October last. In that budget the Minister of Finance wanted to combine the necessary restrictions with measures which were essential to shore up the then prevailing economic situation in Canada. By making the energy self-sufficiency of Canadians the basis of that strategy, the Minister of Finance is ensuring the upswing of our economic activities, guaranteeing as well improved conditions to pave the way for increased productivity and, finally, securing our competitive position on international markets.

Yesterday, during the debate on interest rates, I had the opportunity to tell this House how surprisingly strong the upswing of the Canadian economy had been during the last quarter of 1980. In fact, the economic activity increased at an annual rate of over 8 per cent during that quarter. The first quarter of 1981 also showed an amazing vigour. Why does the hon. member for York-Peel ignore these figures? He does so because they clearly fly in the face of the allegations contained in his motion. Mr. Speaker, the hon. member ignores these figures because they confirm unequivocally that the policies put forward by the Minister of Finance (Mr. MacEachen) are effective and meet the needs of the economic situation in Canada.

What about employment? In 1980, 286,000 new jobs have been created, or 2.8 per cent more than in the previous year. As a result of these hundreds of thousands of jobs being created, a record high of 59.2 per cent of the population was employed by the end of 1980. The first quarter of 1981 augurs well with regard to job creation for the present year. Indeed, in April, unemployment dropped to 7 per cent, a level that had not been reached in Canada since June 1976. The downward trend of the unemployment rate in the last few months is further evidence of an economic recovery in Canada. What is interesting, Mr. Speaker, is that the percentage of workers aged 15 or more reached a record high of 60.1 per cent in April and broke the 1980 record. Mr. Speaker, how can the hon. member for York-Peel ignore these figures? How can he deny that such buoyancy in job creation is an obvious indication that the economic policies of the Minister of Finance are adequate and that they meet the present economic conditions in Canada?

In his motion, the hon. member for York-Peel refers to economic stability. The hon. member did not make a major discovery and did not teach anyone anything new by saying that the Canadian economy was going through a difficult period. This is clearly indicated in the diagnosis made by the Minister of Finance in his budget speech. This instability is caused by various shocks, some of them external and others domestic. The drastic increases in oil prices decreed by OPEC countries have had obvious destabilizing effects on our economy. The impact of oil prices has been reflected by strong

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inflationary pressures throughout the world, and these pressures have also been at work within Canada. Such destabilizing factors required appropriate action. Our monetary policy, a gradual reduction of the deficit and the determination of the Minister of Finance and the government to control inflation are the key elements of a policy which will restore stability to the Canadian economy. However, the effects of such measures can obviously not be felt in the short term. The search for economic stability was a clearly stated objective of the budget and the Minister of Finance has taken the means necessary to achieve that objective in the longer term.

Mr. Speaker, this new decade offers Canada and Canadians fantastic economic opportunities, but we must first learn to control inflation, promote stability and attract investments. That was the challenge contained in the October budget, and the figures that I quoted yesterday and that I briefly referred to a moment ago show that Canadians have responded to the Minister of Finance's challenge and are willing to take it up.

In his motion, the hon. member for York-Peel also talks of the competitiveness of our business sector. Increases in prices and costs as well as fluctuations in the rate of exchange have played a major role since 1979 with regard to the competitiveness of Canadian corporations in the international as well as the domestic markets. The decrease in salary costs has had a significant effect on our improved competitiveness. In 1980, exports of manufactured goods helped improve our trade balance by over \$8 billion. For the first quarter of 1981, the trade surplus was close to \$2 billion. That, Mr. Speaker, also serves to prove the competitiveness of Canadian business and it also shows the effectiveness of the measures contained in the Minister of Finance's budget aimed at achieving economic recovery.

I believe that to ensure Canada's long-term growth in an increasingly competitive world, there must be massive corporate investments, especially in four areas. First, in the development of our huge energy and other natural resources. Second, in plants and new equipment that will be required to modernize and adapt Canadian industry. Third, in research, development and innovation so that Canada can be ensured of state-of-the-art technology and can become a leader as manufacturer of those products which will be required in the future. Fourth, we must invest in human resources to meet future technological requirements and to produce the new consumer goods that will be needed in the world of tomorrow. That is why the general objective of last October's budget was to create a favourable climate for increased medium-term investments. The figures that I referred to a moment ago show that economic recovery has already begun.

In his motion, the hon. member for York-Peel criticizes the Minister of Finance for attending this week an important international meeting.