

Economic Development

year, on a per capita basis, Canada will have far and away the largest current account deficit of any of the big seven nations despite the fact that we are the only one of those nations to be a net exporter of energy. In other words, all the other nations import high percentages of expensive energy whereas Canada is a net exporter of energy. Notwithstanding this advantage, Canada's current account deficit with the rest of the world will be the largest of any of those nations. Somehow or other, those other countries have been able to absorb the increase in energy prices and do a better job of maintaining their payments accounts and their competitiveness vis-à-vis the rest of the world.

One might well ask: How is it that these nations are doing a so much better job than Canada given the advantages we possess? One reason, and maybe the principal reason, is that every other nation seems to have a plan, a sense of direction, a development policy, an economic policy or an industrial strategy—some goal against which it defines its own decisions and against which its businesses, corporations and unions can define their decisions and assess their progress. I defy anybody to examine the decisions made by the Liberal government over the last decade and describe the economic development goals or the industrial strategy of this country. I defy anyone to consider its record or its statements or its decisions and deduce from them what our industrial strategy or economic development policy has been as a nation.

For example, some years ago the government indicated that it was in favour of a better balance between the various regions of the country. They wanted all Canadians from coast to coast to be in a position to participate more equitably in the development of the country. As evidence of this desire, they created a new department dedicated to such a goal.

Since then, though, despite the existence of that department and the expenditure of hundreds of millions of dollars, regional differences in this country are more acute. In 1971 the Liberal government expressed a belief that science and technology were important to Canada and that it was necessary to increase our efforts in this area. As proof of their dedication to this proposition, they created a Ministry of Science and Technology. Since then, Mr. Speaker, the research and development done by Canada as a percentage of the gross national product has decreased from a dismal 1.4 per cent of the GNP to a disastrous .8 per cent of the GNP.

In 1973, the Prime Minister (Mr. Trudeau) signed a contractual link with the European Common Market. He was dedicated, he said, to reducing our dependence upon the United States and in consequence he intended to increase our trade with Europe. Since then, trade with Europe as a percentage of our total trade has actually decreased while our dependence upon the United States has increased.

In the course of the last decade during which the Liberal bunch opposite has been managing or mismanaging the economy, Canada alone among the OECD big seven has been going through a process of deindustrialization. When we started, our whole reason as a country was based upon the land. That is how the Canadians who came here originally from Europe

earned their living. They were engaged in agriculture, the fur trade, fishing, lumbering and, more recently, in mineral development.

In the course of time, particularly after the second world war, that reliance upon the land was reduced; we became increasingly an industrialized country. We joined the industrialized world with manufacturing and high technology industries, industries which utilized the skills and talents of the people instead of just exploiting natural resources.

That is the history of Canada, as it is the history of every developed country today; countries followed the pattern of development from total reliance on the land to increasing reliance on the skills of its people.

Since 1970, the trend in Canada has been exactly the opposite, so that today we have reached what is almost a position of crisis. In 1970, as for years and years before that date, Canada's trade imbalance in the area of high technology and manufactured goods was of the order of \$1 billion, an amount which was more than covered by our trade surplus in agriculture. Since 1970, since the Trudeau Liberals assumed power or shortly thereafter, there has been a continuous straight-line deterioration in our position until today we have a trade imbalance on manufactured goods, the goods which produce the jobs, amounting to \$17 billion. In other words, we have gone through a process of deindustrialization, the only western nation to have done so.

Why did that happen? Did the government follow a deliberate policy of deindustrialization? Was the government deliberately following a "back to the land" policy under which we would give up our factories and our manufacturing operations and live off the land again as we used to do? "The Land is Strong" was, we remember, the slogan of a past election campaign. Maybe this was what it was all about.

That is not what they said, of course; their policy was quite different. I have a big file of press releases and statements by various ministers, and what they said in 1971 was that they were dedicated to science and technology and to increasing the amount of research and development done in Canada. As proof of their commitment they created a new department; they were dedicated to eliminating regional disparity and as proof they created a new department. They were dedicated to increasing our trade with the rest of the world and to decreasing our dependence upon the United States. As proof they signed a contractual link with Europe.

An hon. Member: They were dedicated to getting re-elected.

Mr. Andre: They were dedicated to industrial development and, as proof, they were working on an industrial strategy.

Mr. Speaker, in every case exactly the opposite happened. In fact, looking at the evidence, the best way to determine the direction in which the government is taking Canada is to observe what the Prime Minister and his ministers tell us and then conclude that the opposite will take place. In that way a far more accurate picture of where the government is taking the country emerges than if one listens to what they say. They