

movers of the Address in Reply to the Speech from the Throne. It is obvious that the hon. member for Louis-Hébert (Mr. Dawson) has many qualities which would be quite remarkable in anyone, but which are even more remarkable for a man still in his youth who, yesterday, was able to express clearly, succinctly and convincingly, all the ability that he has gained through his administrative experience as an elected member of various school boards, some very serious thoughts on the economy and the future of our country. I believe that the best tribute that we can pay him would be to say that Mrs. Albanie Morin would have been very proud to hear her successor.

As for the hon. member for Malpègue (Mr. Wood), we knew that he would bring to our debate his knowledge of agriculture and the food industry. We also expected him to show the kind of human sense which is so typical of Prince Edward Islanders, and I must say that we have not been disappointed by his open mind, his warmth and his very great humanness.

At the very outset of this debate, Mr. Speaker, I would like to say that in my opinion, at this stage of Canadian history, the future of Canadians and the future of our nation itself hang in the balance. And history will tell which side carries the more weight. Obviously, it will be through the collective will of all citizens that we shall be able to put more weight in the balance and to express clearly and vigorously all the confidence that we have in the future of this country.

At no time in our history has there been so serious a threat to our society, both from the economic and national unity standpoints. Because of this many could be disquieted and even appear despaired as the official opposition often do. But on this side we have every reason to believe that at no time in our history have the Canadian people been better equipped to face the current challenge. At no time has the Canadian public been better informed of the choices to be made, and capable of forging its own destiny in the current world environment. For that reason, and despite the somber and largely accurate picture drawn by the Leader of the Opposition, we on this side have confidence in the future.

To take up on the opposition leader's invitation I would like to indicate my personal thoughts on the economy and the question of national unity. I shall deal with the economic situation.

● (1612)

[English]

The Leader of the Opposition (Mr. Clark) challenged me to spell out my views on the economic situation. I shall do so with all the seriousness that I can command. My analysis of the symptoms may not differ fundamentally from his, but I think, contrary to the position of the Leader of the Opposition, I will have to show the directions the government will follow, not only in my speech but in the speeches which will be made in the course of the present debate. The symptoms have been spelled out rather starkly by the Leader of the Opposition. I need not dwell on them. There is high unemployment in

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Canada, there is high inflation, and a very serious devaluation of the dollar.

I should like to try to examine, before this House, the causes of this state of affairs and, hopefully, propose remedies that this government sees. I suppose, Mr. Speaker, the easiest way to indicate the over-all cause of our present economic state is to say that Canadians generally—governments, federal and provincial, people generally and all economic decision makers—have failed to adjust to external and internal realities in the world. I hate to examine that in too much technical detail, but in the past year we have published two government statements, one called "The Way Ahead", and the other "An Agenda for Co-Operation". They went into our views of the economic revolution in this country at great length.

When I say that we failed to adjust to realities, I suppose the shortest way of expressing that is to say that in a sense we have been the victim of our own successes as a government, as a country and as a nation. The record of economic achievement in this country since 1945, the end of the Second World War, has been very impressive. Canadians have shown that they have the ingenuity, the technology, the determination, the capacity for hard work, to conquer the external difficulties; including the great distances in Canada, including the weather, including all those other externalities which press upon us. Canadians have shown that in spite of those disadvantages, we can, in this country, sustain very considerable economic growth—the greatest growth in a given period that this country has ever known.

Just look at the figures. Since the end of World War II the population in Canada has almost doubled. We had the fastest growing labour force, in this country, of any industrial nation, yet real after-tax income per person more than doubled in this country during that period of time. The real standard of living of all Canadians, on average, more than doubled in that period of time. It is important to note that that was after taxes.

Heavy taxes were levied, by all governments, on the people of Canada—taxes which permitted us to invest in the future and in the present of this country in a way which has perhaps been unequalled in any other industrial society. I am thinking of the advances we made through our tax investments in the area of taxes, in medicare, the assistance we gave to aged people, in family allowances and in so many other areas where the Canadian people, after they had paid taxes to obtain all these social and economic advances, were still twice as well off as they had been in the middle forties.

Where, perhaps, we went wrong, when I say we are the victim of our own success, is that Canadians—their governments, perhaps, first and foremost—began to feel that everything and anything was possible in Canada. On top of all these very far-reaching social schemes, we began to invest more in the quality of life, spending more on anti-pollution concerns, doubling, trebling the number of national parks, subsidizing energy so that Canadians would not be hit by the stark reality which had hit the rest of the world after the OPEC nations formed a cartel.