

policy of investing in arms is going further to weaken the U.S., and it will further weaken Canada.

There is a monetarist policy in the U.S., as most Members know, which is going to try to squeeze inflation by holding down the money supply and cutting back on Government spending. What they are doing is simply killing the American economy, and of course the Canadian economy, since it is a branch plant economy, is suffering as well. Ask any worker in Ontario, those who are unemployed or barely hanging on to their jobs.

Even though I believe we should be different from the U.S. we are brothers and sisters with the U.S. We have a very close relationship. I hope that a future administration in the U.S. will realize we are giving these huge advantages to Japan and Western Europe, that we are living in the past.

Now, Mr. Speaker, I want to say a few words about the six and five program. That program is really not intended to be an economic strategy at all; it is a phony political strategy. It is designed to convince Canadians that the burden of the recession is being shared fairly and that we have to blame people like civil servants in Ottawa and easy targets like that for our problems. It is not really a program with any real economic impact. Inflation is going to come down anyway; we all know that. We are squeezing the economy and there is no demand in the economy. I am not an economist, but I see one over there.

Mr. Benjamin: Not him.

Mr. Waddell: He purports to be one. The program is not going to make much difference because it does not involve any strategic attempt to strengthen Canadian manufacturing. In Japan the Prime Minister (Mr. Trudeau) talked about how we welcome Japanese investment. They can have all our resources. What are we doing, Mr. Speaker? We are a hinterland of the U.S., which is part of our problem, and now we want to make ourselves a hinterland of Japan. Does that really make sense for this country?

I do not have time today to go into some of the solutions. I have spent most of my time trying to give a kind of analysis of what I think is happening. I challenge Members to deal with that analysis. I hope in days ahead, in other debates, to try and deal with the real solutions.

I would just draw the House's attention to the Bishops' solution which we have been advocating in the House. They say we have to focus on job creation, encourage technologically intensive industries, and creative work is going to be limited to a few. We have to continue with our social net for other people. But we have to look at different regions and our regional strengths, such as British Columbia and forestry. We have to build industry around the forest industry. We have to look at energy, where instead of just exporting oil and gas we have to build industry around petro-chemicals.

I am not saying that my colleagues in the Conservative Party are not interested in that; of course they are. But I am saying that their analysis is wrong. The answer is not just let us have consensus, or the Liberal answer which is let us just

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welcome investment. The investments may not come no matter what you do. Investment has to be directed to areas such as high-tech industries, and to different regions of our country, to strengthen our economy. It seems to me we should level with the people. It is only in this way that we can have a national regeneration in Canada.

Mr. Evans: Mr. Speaker, I notice the Hon. Member mentioned the situation in Japan, which is a very interesting example. It is a country which has been able to hold its unemployment rate to a very low level. I would ask the Hon. Member if he understands the way the Japanese system is set up and if his Party is prepared to debate seriously the kind of structural changes which would be required in this country to reach a solution such as the Japanese have reached.

For example, is he prepared to look at a system where compensation is based upon productivity, where workers opt for reduced wages when the economy turns down as a way of ensuring higher levels of employment? Is he prepared to look at a situation where a country has company as opposed to industrial unions? Does the Hon. Member agree that this should be a matter which is considered for Canada? Is he prepared to consider those realistically as options for this country if he is so impressed with the results in Japan?

Mr. Waddell: Mr. Speaker, I thank the Hon. Member for the question. Speaking for myself, I am prepared to consider anything which is practical, logical, fair and which gives us some light at the end of the tunnel. I talked to David Suzuki from British Columbia, a distinguished Canadian who has written about the Japanese economy and his impressions of what was happening in Japan. I am inclined, as is the New Democratic Party, to favour the notion of a plan such as the Japanese have developed. They are not prepared to say, as it seems we in North America are, that the free market forces will do everything. I think we should look at having a strategy and know where we are going. We should look at the idea of gambling, if you like, with new industry, as I said the way the Japanese did it, and at the way the Americans, since Viet Nam, have not really done it.

However, with respect to the unions and the work and so on, I think we would be better to look to Western Europe. We are more culturally akin to Western Europe. The NDP has been saying in the House that we should look to Western Europe and their worker-business co-operation. I think that could be explored a lot more in Canada. Instead, we have kind of put labour out of the picture. The Hon. Member, in a way, was getting at that idea of bringing labour, management and Government back together. In Canada we have tended to put labour right out of the picture. One of the reasons is, I think legitimately, that labour does not believe that we are being fair to them. We are making them the scapegoat and fall guy over a lot of things.

I wanted to go further in answer to the Hon. Member's question because I think that we should look to Western