

*Economic Conditions*

Simply put, dependency means that when you are rich you never think about the fact that you may have to depend on somebody else. The poor know what dependency is all about, since they have always had to depend on somebody else.

The report continues:

Suddenly, decisions and events in the South have an impact on the well-being of the North. Our response has been to launch ourselves toward an objective long sought by the South, that of self-sufficiency. We may have as little prospect of achieving it as they do.

That last sentence is a key one. We have become mutually dependent on each other in a way that has never been seen before in the history of our planet.

I continue:

These are not the only changes which have occurred. A number of developing countries have moved far along the path toward industrialization. The rates of economic growth in parts of the South have outstripped those in the North.

India, our image of a poor nation, is now the ninth largest industrial power in the world; Canada is seventh. Brazil, Venezuela, South Korea, Singapore . . . growing numbers of countries have entered world trade and are competing in the markets of the North. We can say with confidence that the economic shape and power of the world in the year 2000 will be as different again as this world is from 1960.

Sometimes people wonder why it is jobs are hard to come by in cities which a few years ago were very prosperous. Why is it that with respect to the automobile industry there is pressure from all sides? The answer is simple. A country which was considered a Third World country only ten or 12 years ago is Japan. Japan is a case which exemplifies these changes. It has become one of the great world powers. This was accomplished by taking a serious world view of things, and it is my view from the Japanese people I have known that they are people who, when they see an economic problem, do not go back to an old solution but immediately try to find another way, a better way.

The report continues:

Not many years ago, if we had drawn our map of the world with a line dividing North from South, Japan would have been south of the line. It has now crossed over dramatically. In the 1960s Canada's tariff regulations still classified Japan as a "developing country". Today, it is one of the major industrial powers in the world.

The thought which I would like to bring to this debate tonight is that if we try to find a solution by going back to old remedies, which worked when we were sure of the disease, then I feel we are bound to be a total failure. If we are to solve the disease of high interest rates, inflation, and unemployment, I believe it is necessary for us to identify all the causes correctly.

In our report on North-South relations we indicate one of the causes which is rarely mentioned in the House, that is, the world economy has changed. It is difficult to put this into simple images but one which I think is clear to many people is the image of a poker game. For a long time, in the international game of economic poker, a few people had all the money and they called the game. They were the industrially developed countries of the North. If anyone wished to join the game they had to play the game as laid out by the dealer, the one who had the wealth. So if it happened to be 21, they played 21, there was no other game. Then suddenly the game began to change.

● (0050)

A few of the people who had only a very small amount of the chips ten years ago were not even players and were not even asked about the game. But suddenly they received a pile of chips. They are called the OPEC countries. When they received those chips the rules of the game began to change, and the flow of money which had been going around with the first set of dealers suddenly was not there. Somebody else began to draw that amount of money to another part of the table.

That other part of the table began to call the game. So, if they changed the game, for example, to seven card stud instead of 21, it does not help if you can only count to 21. It means that you have to learn a new game. I would like to think that we could call this new game the new international economic order of the world which has been advocated by the south. The seriousness of the situation is that the remedies which were previously able to bring down interest rates or whatever through adjustments, will not solve the problems confronting us and which are bringing disaster to most of the world today.

For example, take a person who has had a stomach ache. When he is asked by the doctor what he was taking to help the stomach ache, he may say Alka Seltzer, or whatever. But if the doctor says that the person now has a cancer, another disease, he must recognize that the former remedies will no longer work. This is the case with the up and down flow of interest rates, or with anything else. It will not work because there is a new disease. It is a disease which is not only part of the north but a disease which is a result of the intermingling of the north and south.

In the North-South task force report we have proposed resolutions which I hope the government will seriously look at and accept. Some of those resolutions have to do with aid, some with trade, some with food, and some with energy. One of the most important resolutions has to do with the way Canada must look at its economic future and prepare to adjust, which means that the answers which made good sense, or at least made some sense ten years ago, must now be reviewed from top to bottom. That adjustment may, as many adjustments do in life, cause difficulty and suffering, but unless the adjustment is made soon the problems which are becoming more and more involved will become bigger without solutions.

In this critically important time in the history of our planet, I believe that we must have a truly prudent approach to an international world situation. The Prime Minister (Mr. Trudeau) is preparing for a North-South conference to be held in Canada this summer which will at least affect the rich countries. The Prime Minister has visited several developing countries, particularly in Arabia, in the past month. To my knowledge he has not given a complete report to this House on the visit. I hope that he will, and that he will tell us whether or not while in Arabia he talked about the recycling process which would put Arab money back in circulation, whether it would work, whether it is necessary for anything to happen, or whether it was only, as we have read, a way to pick up more