
integration into the international economic systems. The particularly difficult economic situation facing these countries, as a result of the present recession, makes it all the more imperative that we keep this issue in focus and continue our efforts to create a more just world. The Versailles Summit declaration clearly recognizes this need, and in these difficult times we must resist the temptation to ignore it.

From the foregoing, it is clear that the international economic system is facing perhaps its most serious challenge since the Second World War. It is clearly not within Canada's grasp alone to provide a solution to the world's crisis. However, it is within our negative potentiality to worsen the international economic crisis as it applies to us, and it is to the avoidance of this possibility that I want to turn for a final moment. To ensure objectivity in approaching this subject, let's turn for a basic analysis to the OECD.

**Wage restraints
necessary**

In a report prepared before last week's budget in Canada, the OECD warned that Canada's productivity growth remains the second lowest of the 16 OECD countries. The report spoke of "the moderation in wages in all of the seven largest OECD countries, except Canada," and added "we've very concerned because of the growing difference between U.S. inflationary performance and Canadian inflationary performance". The report's conclusion was that Canadians will have to exercise severe wage restraint in order to improve our country's competitive position.

Very similar words were used, and an appropriate solution recommended, a week ago by the Minister of Finance, the Honourable Allan MacEachen. Price inflation can be brought down, he said, by accepting for the time being income increases that are lower than the current rate of inflation. This strategy will lead in the short run to a lowering of income but it will soon slow the process that is eroding our pay cheque. It will check the rise of unemployment and it will establish a firm basis for resumption of real income growth throughout the economy. It will also, of course, increase our international competitiveness. This is the six per cent world of recovery as opposed to the 12 per cent world of recession.

As Mr. MacEachen says, the choice is ours. And it has to be a group choice. There has to be a willingness on the part of all Canadians to join together to resolve our common problem. We're all in this together and we can solve it only together.

There are some labour leaders who want to stand aside, to let others assume the burden which they want to evade. As a member of the only group in Canada whose income was actually cut by the budget, the members of Parliament, I think that I'm entitled to say that unless we all participate ourselves, and exercise our influence to try to ensure that others do so as well, we can't succeed. This is really a problem, I think from which no group can be entirely exempt. Well, there is one group that I think we will all want to exempt, and that is the group of old-age pensioners who are on the guaranteed income supplement, those who are by our definition living in
