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industrialized nation essentially do. We can do the same, for example, in certain sectors such as the transportation area, the auto industry, the telecommunications industry and the aerospace industry.

Let me speak for only a moment or two in my remaining time about the mining industry. In my own constituency, as well as in neighbouring constituencies in central British Columbia, we are about to experience an historic event. Cominco will temporarily lay off 7,000 workers in the next few weeks.

Mr. Benjamin: There is the CPR again.

Mr. Riis: Within the next few weeks, 7,000 workers will be temporarily laid off for the first time in our history. In my own neighbouring area, the Highland Valley, some of the major copper-producing mines in Canada are planning similar temporary lay-offs. Hundreds and hundreds of men will be laid off in the next few weeks. When one looks at the mining sector, it is interesting to note that Canada is the third largest mining producer in the world, yet we import a major portion of our mining equipment and supplies. For example, 15 years ago half of the equipment used in underground mining was imported from beyond the Canadian border. Today, not half is imported but, rather, 75 per cent of mining equipment used underground is imported. That is the kind of progress we have made in the last 15 years.

Mr. Huntington: Why is that?

Mr. Riis: If the hon. member has a question, perhaps I can answer him later, if he wants me to articulate my response in a more clearly defined way.

Mr. Nystrom: Branch plant economy.

Mr. Riis: If we are able to take the initiative and reduce the deficit, when it comes to mining equipment imports we could create in excess of 13,000 jobs in this country just in this one sector alone. Again, I would ask the question as to how much mining equipment a country like Sweden imports, another mining leader in the world. Quite unlike our country, one can rest assured that the imports in Sweden are non-existent when compared with our own.

I think it becomes very clear, as we look at the structure of our economy, that major structural changes are required. At the moment, we have two approaches to economic development which are historic in nature. One is the exploitation and the export of natural resources. This is becoming more and more difficult with the passage of time, as we must now compete with other resource-exporting countries which quite often, because of a number of factors, are able to export more competitively. The other area, of course, is manufacturing. We have always had a weak manufacturing sector as a result of the branch plant economy which has been encouraged and nurtured over the years by the Progressive Conservative and Liberal governments.

Mr. Baker (Nepean-Carleton): Oh, come off it!

Mr. Riis: We have a weak manufacturing sector which is becoming weaker.

Mr. Huntington: Deliberately misleading!

Mr. Benjamin: Do you want to withdraw that now or later?

Mr. Riis: We do not succeed in either of these two alternatives. The challenge before us is to link our potential comparative advantage in the secondary, tertiary and quaternary sectors with our historically comparative advantage in the resource sector. It is this link, this marriage, which must now begin to take place. We are not adequately bridging this particular gap by rushing ahead and putting all our hopes into the megaproject option. This linkage between these two sectors is now perhaps more important than it has ever been. It is time we started building on our strengths and that we know our strengths. All of us in this chamber could very quickly identify the half dozen areas we should be building on, but we find that we are not building on any of them; rather, we are building on areas with a long-shot option, such as the megaprojects. We must begin to combat inflation, not with the present monetary policy, but with a program of intervention which will result in increased productivity in this country.

Mr. Huntington: What is this program of intervention?

Mr. Riis: Canada has this opportunity which virtually no other nation in the world has. It is one that we must now begin quickly to develop and exploit. This will occur if the government has the courage to admit that the monetary policy now being pursued has been a failure and that, after seven years, it has not wrestled inflation to the ground. We have an opportunity that other countries do not have and the time is not too late to act. In fact, we can act now and take advantage of this opportunity. We should see it as an opportunity as opposed to a problem. Then the long road to confidence building in this country will begin.

Some hon. Members: Hear, hear!

• (1250)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I read the motion of the New Democratic Party and I listened to the comments made by the hon. member from Kamloops-Shuswap (Mr. Riis), and I feel that, in a sense, the wording of the motion says it all. It illustrates very clearly that the New Democratic Party does not understand the nature of the problem facing the country. The motion attributes all our problems to high interest rates which, in their view, lead to all sorts of other evils. In the wording of the motion there is absolutely no reference to the underlying cause of high interest rates and high unemployment. There is absolutely no reference whatsoever to inflation. The hon. member in his speech did, I must admit, as I listened intently, make a passing reference to inflation and stated that it could be solved by increasing productivity.

All of us understand the importance of productivity, but the hon. member's single-minded reliance on productivity