

ing industrial societies or countries of this world were picking themselves up economically and had yet to begin to compete effectively with us with the modern industrial plants which they had constructed in the post-war decades. Now, because those countries have rebuilt their economies and rebuilt them in a more efficient way, they are competing more effectively than we are. We have lost ground, relatively speaking, to those economies.

I am not ashamed of that loss of ground. I want hon. members to understand why that occurred. What hon. gentlemen opposite also always ignore is the fact that there has emerged into the world economy a number of extraordinarily super-rich oil states in the Middle East. These countries have so much oil and so few people that their standards of living are extraordinarily high. Their emergence has helped to push Canada down the scale.

I do not want to belabour the point but I do want to introduce into this debate, so that people will understand, the fact that our competitive position in the world, our standard of living and our rating has been affected by forces that are outside our boundaries and beyond our control.

What I want to do now is to take a look at our employment record. That is the issue for debate this afternoon. One of the strange aspects of our employment record is that while Canada has the best employment record of any western industrialized country during the 1970s and into the 1980s, we have at the same time one of the worst unemployment records. This is a curious anomaly. How can a country proportionately create more jobs than any other country in the world while at the same time suffer from one of the worst unemployment records? It hardly seems feasible.

Mr. Blaikie: It is called Liberalism.

Mr. Kelly: In the time I have remaining I want to suggest a number of explanations that lie beyond government policy and government control.

Mr. Blaikie: Say something, then.

Mr. McDermid: Do they buy this in Scarborough?

Mr. Kelly: Yes, they do. They know it is delivered both with insight and sincerity.

One of the reasons we have an unemployment level that is higher than any of us would like to see, higher than any of us find comfortable, is the fact that we have a branch plant economy.

Some hon. Members: Hear, hear!

Mr. Nickerson: Have you figured that out?

Mr. Kelly: In an age when labour costs are becoming an increasingly more important component of the cost of a product, head offices of many multinational companies are closing their expensive Canadian plants and moving operations elsewhere.

Employment

One of the members on this side of the House was talking to a manufacturing delegation the other day. One gentleman in that delegation decried the fact that in the city in which his plant was located they have to pay their labour \$10 per hour and were therefore looking forward to moving to one of the states in the American south—

Mr. Ogle: Slave country, obviously.

Mr. Kelly:—because labour rates in the American south were \$5 per hour. As the conversation was reported to me, it looked as though that company was on the verge of closing its plant in one city in Ontario and moving its operations to the southern United States. I do not know how many hundreds of people would be laid off in those plants or how many thousands of people have been laid off across Canada because of decisions like that, but people have lost jobs for those reasons. Those reasons have absolutely nothing to do with the policies of this government.

Some hon. Members: Oh, oh!

Mr. Kelly: This government has not set wage rates. This government has not insisted on high levels of payment. It is a natural functioning of the economy as it develops in the latter part of the twentieth century. It is cheaper for businesses to move plants elsewhere. Regrettably, Canadians have to pay the price.

Mr. McDermid: It is the Canadian plants that are moving which frighten us.

Mr. Kelly: The government response to that, of course, should not be that of hon. gentlemen opposite, to rent our clothing, to tear out our hair or to fumble for all the worst case scenarios that we can project in this debate. The important thing for a government to do in a situation like this is to make sure that in the months and years ahead this government creates nationwide retraining programs so that any worker who loses his or her job can look forward to immediate and effective retraining for a future career.

If hon. members look carefully at the policies that have been introduced recently by the hon. minister, they will find that is exactly what this government is doing. It has made a commitment to those workers that their interests and their concerns will be addressed as quickly and as effectively as possible.

I would hope in future debate concerning the provinces and retraining that instead of having critics on the other side of the House we will have allies. If hon. members are honest in their positions, that is exactly what they should be, allies and not critics of the policies of the minister.

Some hon. Members: Oh, oh!

Mr. Kelly: One of the most important influences on unemployment levels in Canada has been the slump in our foreign markets. There is not a member in this House who does not realize, or should realize by now, that we export roughly 25 per cent to 30 per cent of all the goods we can produce.