

Mr. Johnston: We all know the old adage that he who pays the piper calls the tune.

Mr. Riis: The Bank of Canada pays you guys.

Mr. Johnston: The person with the lyricist's pen, in this case, happens to be Dennis McDermott of the CLC. I can assure Your Honour that hon. members on this side of the House would very much like to hear some time, some day, in this place, the very own ideas of members of the New Democratic Party. The New Democratic Party benches are crowded with young, bright Canadians and it is a tragedy that we must sit here and listen to them spout the rhetoric which comes out of the CLC instead of some of their own thoughts. Indeed, it is disturbing to listen to the same tired, old bromides, the same old ideas—

Mr. Riis: Imagine how we feel.

Mr. Johnston: —the same lack of understanding that we have heard today. The NDP—

[*Translation*]

—is always looking for scapegoats. We must—

[*English*]

Mr. Anguish: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ethier): The hon. member for The Battlefords-Meadow Lake rises on a point of order.

Mr. Anguish: Mr. Speaker, I believe that there should be some relevancy in the speech of the hon. member, and I would ask Your Honour to call on that. But Your Honour should actually overlook it, because there will be very few opportunities left for any Liberal to stand up in this House again and speak from a government perspective. Therefore, I ask Your Honour to overlook the irrelevancy in the Liberal benches.

The Acting Speaker (Mr. Ethier): Order, please. The House fails to recognize the point of order.

Mr. Johnston: Mr. Speaker, I apologize. I thought that the liaison between the New Democratic Party and the CLC was well known. If I am exposing something which is a matter of confidence which will come as a surprise or a shock to constituents, that is another matter.

Some hon. Members: No, no.

Mr. Johnston: The hon. member says he does not understand. What he clearly does not understand is that Canada's problems are not unique.

Mr. Riis: That is right: blame someone else.

Mr. Johnston: We all know that U.S. recovery is needed. Now the hon. member is calling out and saying that we always put the blame on someone else. He speaks with great concern for the forestry industry in the province of British Columbia. Surely an hon. member from British Columbia realizes that the strength and future of the forestry industry in the province

Supply

of British Columbia depends to a very large extent on the health of the U.S. economy and housing starts in the United States.

Mr. Riis: How about some new markets?

Mr. Johnston: Any high school student of economics in the east knows that, so I am sure that the hon. member must know it too.

Mr. Riis: New markets are needed.

Mr. Johnston: He knows the impact of U.S. interest rates. Surely I do not have to go back over all that ground and explain what the consequences would be to the economic circumstances of this country if interest rates were to be arbitrarily lowered to one point above the going inflation, as the hon. member suggests. It is ludicrous that at this point the hon. member, after having been lectured constantly on the subject, after having the opportunity to speak to the Governor of the Bank of Canada on this subject, having been made fully aware of the subject from every reputable economic source in this country, would stand up and make that proposition again today.

Mr. Riis: He convinced me that I am right.

Mr. Johnston: All countries are in a slump, we all know that.

Mr. Riis: Japan's interest rate is 6.5 per cent today.

Mr. Johnston: He says that Japan's interest rate is 6.5 per cent.

Mr. Riis: Japan's inflation rate is 3.5 per cent.

Mr. Johnston: I would also invite the hon. member to point to Japan's rate of inflation.

Mr. Riis: The real rate of interest is 3.5 per cent.

Mr. Johnston: That is exactly the point that is pivotal to this debate, namely, the effect of our rate of inflation and the expectations in this country with respect to the rate of inflation. That is what affects the interest rate, and that rate of inflation, I suggest to Your Honour, is a direct consequence of the wage-price spiral, which the hon. member for Kamloops-Shuswap does not understand either.

Mr. Riis: He accurately described it.

Mr. Johnston: Let me spend a moment on it so that when he next goes out to his constituents and when he next has the opportunity of exchanging views with Mr. McDermott, he can explain to him the serious dangers which will confront this country unless we are able to get our wage structure under control. We have done a very poor job in this country in limiting increases.

Some hon. Members: Hear, hear!

Mr. Riis: You have.