

The Budget—Mr. Allmand

possible if governments at all levels, the private sector and public sector, management, labour and education co-operate. One government cannot do it alone. The public sector cannot do it alone. We must all agree to move in that direction. If we have the political will to do this, we can bring unemployment down by a country mile.

Mr. St. Germain: Mr. Speaker, I was fortunate to be at the OECD conference with the Hon. Member. I think he forgot to mention a fact that was pointed out at that meeting by those countries that are recovering as being clearly required. It is that investor confidence and the private sector were the keys to recovery. When he cites the jobs that will be made available, he merely cites jobs in the public sector.

Would the Hon. Member explain to the House why he left that particular facet out? Japan and the United States, which have the strongest economies and show the greatest decrease in unemployment and the most stable economic picture, were the countries that clearly stated that the private sector had to be motivated again. Would he comment on that?

Mr. Allmand: Mr. Speaker, when I referred to policies which would enable industry to be as efficient and competitive as possible, I was referring to the private sector. Well over 90 per cent of our industry is in private sector hands. Of course, there must be confidence to invest in the private sector. I was suggesting that governments—I do not mean just the federal Government—unions and management must co-operate in developing policies which will allow the private sector to move as quickly as possible into new technologies in order to be competitive. I might have used different terminology but when I talk about an efficient and competitive industrial sector, it is the private sector. While there are other sectors in private hands, I was talking principally about that sector.

It is true that there is 2 per cent to 3 per cent unemployment in Japan. However, Japan's social and economic structure is quite different from ours. There are massive conglomerates that are involved in many fields. You may find that there is one company that is involved in transportation, chemicals, construction materials, electronics and so on. When obsolescence in one of those companies comes about, the Japanese redirect or reassign their employees to another part of the company, with retraining given. I must say there seems to be very good co-operation in Japan between government, labour and management.

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The Japanese system is not the same as ours. The United States is closer, but while the United States has had some improvement, as we have had, I doubt whether one could claim that the U.S. today has a satisfactory employment or unemployment situation. Unemployment in the U.S. is a few points lower than Canada; but in both countries it is still much too high and we both have a long way to go to reach what the Japanese have achieved in terms of unemployment.

Mr. Orlikow: Mr. Speaker, I have a question for the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. All-

mand). He has expressed his support for the idea that we should work to have a full employment economy. He has referred to the period just after World War II when we had full employment. The Liberal Government of that day issued a white paper which promised the people of Canada that we would have full employment. The Hon. Member has referred to the Economic Council's report in the early 1960s that said that we had very low unemployment at that time. Since that time we have had a Liberal Government, of which the Hon. Member has been a part, and our unemployment has gone from about 4.5 per cent to 5 per cent in the early 1960s to over 11 per cent at the present time.

The Minister of Finance (Mr. Lalonde) in his Budget Speech, which we are now debating, has indicated that we will have double-digit unemployment for the next four or five years. Obviously, this Liberal Government is not as committed to a full employment policy as the Hon. Member for NDG and is not doing very much to accomplish that. I would like the Hon. Member to explain why his Government is doing so little to achieve the purpose to which he says he is committed, namely a job for every Canadian who wants to work?

Mr. Allmand: There is no doubt in my mind, Mr. Speaker, that the highest priority of this Liberal Government today and for the last year has been employment and the problem of unemployment. It is true that the Government has not made the commitment to full employment. We can debate that. I personally believe there should be that commitment, the same as the Liberal Government had in 1964 and in 1946. The highest priority has been employment. One need only look at the Budget, the Speech from the Throne and last year's Budget of April, 1983 to see that employment is a very high priority.

On the other hand, I think we are in a situation today which is quite a bit different from 1946 or 1964. My colleague, the Hon. Member for Mission-Port Moody (Mr. St. Germain) will confirm—because he was at the same conference—that many countries in western Europe are concerned with the structural change that is taking place. We are into a massive revolution of technology and a lot of displacement is going on. I am still committed to a full employment policy because I think by having it you are more likely to achieve it. There is a lot to be done. It is much more difficult to achieve than to state.

Mr. Blaikie: Mr. Speaker, I have a question for the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). How does he expect Canada will be able to cope with the structural changes going on in the global economy if we do not have a Government committed to giving the kind of direction to investment that will be necessary if we are to get through this transition period? Many countries which seem to be handling what is going on in the world economy better than we, are countries where governments take a much more active part in the direction and planning of investment. Here we have on the part of the Liberal Government for all intents and purposes a virtual abdication to international market forces and to the private sector. There is no political will on the part