

the economy. That government sits down with its industry and discusses, for example, the direction in which it should expand its efforts, what fields are likely to be profitable in terms of production and employment, where investments should go, and, ultimately, in what direction the country should go.

The government of Japan, and there has never been a socialist government in that country, is heavily involved in the decision making of Japanese industry. I visited Japan a year and a half ago. While there we were briefed by the Canadian ambassador with regard to a Japanese industrial strategy. There is not a decision made by a major Japanese corporation which is not first cleared with the Japanese government. If the corporation can show the government that its investment, expansion or whatever will serve the interest of the Japanese people, then the government encourages the industry to go ahead. The government often allows the industry to borrow money from the bank at less than the going rate of interest, simply because it is in the interest of the Japanese people.

The Japanese would not allow the kind of situation to develop there which developed in Canada whereby International Nickel used its profits, loans from the government and unpaid deferred corporation taxes to develop its nickel deposits in Guatemala and Indonesia. These foreign mines compete in the world market against Canadian mines and as a result, thousands of Canadian workers have been driven out of the mining industry.

West Germany has had the best economic record in the world in recent years. The hon. member for Calgary South may not know it, but West Germany has had a social-democratic government for a number of years now. That government does not nationalize every industry and probably has less public ownership than Canada.

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That government follows a deliberate policy of meeting with the business interests and the trade unions to work out policies which will help it expand its production facilities, increase the number of workers and meet the needs of the people both in the country and in the foreign markets which are so important to every country that has a manufacturing base.

I have one last thing to say about the remarks of the hon. member for Calgary South. He spoke of the Liberal government's policies on energy, saying they were bad, they were destroying industry and were having terrible effects on the country. This is not the time to debate that matter in detail, but I would remind the hon. member that in 1970 the Government of Canada told the people that proven reserves of natural gas would meet the needs of this country for 923 years. It was shortly before 1970 that the then minister of energy, mines and resources, Mr. Greene, told the people of Canada that there were sufficient oil supplies to meet their needs for about 100 years. We all know that both estimates were terribly wrong.

Where did the former minister get his information at that time? He got it from the oil and gas industry which was interested in exporting more oil and natural gas and for that

reason gave out information which it must have known to be wrong. It was done for the industry's own purposes and was not in the best interests of the Canadian people.

I say to the hon. member for Calgary South that he ought not to put his trust quite so much in the good will, the common sense and farseeing approach of the private sector; sometimes he should think about what is good for the people of Canada as a whole and not just for the private sector.

I want to say one other thing to the hon. member for Calgary South. When I was looking over my notes in preparation for this speech, I came across another speech, one that I made in October, 1979, when there was a Conservative government. The same kind of bill was before the House at that time. It is true that we were not being asked to give the government authority to borrow \$14 billion, we were being asked for permission to borrow \$7 billion. If it is a crime to borrow money, then I say to the hon. member for Calgary South that the only difference between the Liberal government and the former Conservative government is the extent of the crime.

We are not opposed to a proposal to borrow money if the reasons given are adequate. If we felt that the money was to be used to improve the wellbeing of the Canadian people, if we felt that the money was to be used to provide more jobs for the Canadian people, if we felt that the money was to be used to provide better living conditions for the Canadian people, we would agree to it but as far as we can tell, there is no indication that the money will be used for any of those purposes. If we are being asked to provide money to meet the deficit which is expected between the amount we spend and the amount we take in as revenue, then we must ask ourselves why this deficit has occurred.

I want to say to hon. members on the government side of the House that one of the main reasons for the deficit is that the economy is not working at full capacity. In the years after World War II it was estimated by economists at the Economic Council of Canada, who certainly were not radical, that full employment was achieved with the employment rate between 3 per cent and 4 per cent.

The present rate of unemployment is more than twice that; it is over 8 per cent. According to official statistics, 945,000 people in this country are unemployed. That figure refers to those people who are actively looking for work, but there are several hundred thousand people in this country, particularly young people and more particularly those in the slow-growth areas, who are no longer looking for work. In large parts of Newfoundland and Nova Scotia there is no use looking for work as none is available. There is no use looking for work in the eastern part of Quebec because there is none. The same is true of parts of northern Ontario and the Interlake region of Manitoba. These are just a few examples.

We must ask ourselves what the consequences are of having one million people unemployed instead of 400,000. One consequence is that we lose about \$5 billion per year in production. Mr. Speaker, 500,000 more people at work would bring taxes in the neighbourhood of \$1.5 billion into the coffers of the