

*The Address**[English]*

**Mr. Heap:** Mr. Speaker, I thank my colleague, the member for Saint-Denis, for his question.

I will admit that I am not as well informed about the economic situation of Montreal as I am of the economic situation in Toronto. I can assure the member that Toronto has not experienced the level of unemployment that we now have since the thirties. It is worse than it was in the early eighties.

Factories have been closed and closed permanently. In my riding a factory that was making washing machines shut down. The announcement was made within a few weeks of the free trade agreement being signed. Those washing machines are now being made at Whirlpool in Ohio. This factory served half the Canadian market in washing machines. Now 600 skilled employees are looking for work. Some have found it, many have not.

That story has been repeated many times in Toronto. Toronto is of course a rich city by the standards of people who only look at the indices of wealth and growth. We can have a rich city or a rich country with far too many poor people, depending on the way the work is organized; who calls the tune and who gets the benefits.

• (1630)

Toronto has not yet approached the level of unemployment of Montreal and I say that with great respect to the working men and working women of Montreal who have been, as the member has said, the industrial and commercial centre or motor of Quebec and are now being desolated by unemployment in many industries.

I do not know the details of the industrial ownership in Quebec. I believe more of it is locally owned, that is, owned by people in Quebec, than is the case with the branch plants in Ontario.

I believe, for example, that the textile industry and the clothing industry of both provinces are being disastrously attacked by imports. About four years ago a plant employing 200 people in Spadina making basketball shorts shut down. I had toured it just a few weeks before at the invitation of management. It was, according to them, a very modern, very successful operation. It was shut down after an equivalent plant was opened in

Mexico to produce the same thing at wages worth one-tenth of what the management was paying in Toronto, and those Toronto wages, those Canadian textile worker wages, are no princely or princessly salary.

I believe that the textile and garment industry of Quebec, which is far greater than the textile and garment industry of Toronto, must be suffering the same kind of evil from the imports from countries where the government forces the wages down by legislation and by persecution of trade unionists.

**Mr. Prud'homme:** You are absolutely right. I want this on the record.

**Mr. David Kilgour (Edmonton Southeast):** Mr. Speaker, the speaker, as we all know, is a very sincere person and I wish everyone in the House were as sincere as he. I notice that the magazine *The Economist* last week has Sweden's consumer prices up by 10.7 per cent on a yearly rate. Sweden's prime lending rate is about 13 per cent as of last week. Does the hon. member think that we should have the Swedish model in Canada? If we did, does he not think that we would have even worse problems that we do at the present?

**Mr. Heap:** Mr. Speaker, I thank the hon. member for his question. I have never been convinced that I understand exactly how you can compare Sweden with Canada. Sweden was fortunate enough to be neutral in two world wars. Before that, Sweden was fortunate enough from its point of view to export a considerable part of its population and for the last half century it has had a government that undertook to keep the spread between the richest and poorest from being too great. I believe it has done very well at that, but if it is being caught between the trans-national empires of western Europe and the tentacles off the trans-national empires of the United States, I expect it may be in some difficulty.

I never thought that we should try to model Canada's economy strictly on any other country. We can look at certain ideas and borrow them to try them out. One of the Swedish ideas that was half tried out was that contracts should be negotiated, labour management contracts, in which so many cents per hour would be put into an investment fund of which labour would have an equal share of control with management. There would be joint operation of that investment fund. The idea was