

*Supply*

• (1350)

Recently in Canada there have been a number of news reports both in print and on television comparing Canada's situation today with that of New Zealand in 1984. That is when a new government, a socialist government as it happened, was elected and within days of election discovered that it could no longer finance its government operations through international borrowing. It had reached the limit.

I believe very sincerely it has reached the point in Canada that it does us no service, as members of Parliament or members of legislatures to try to affix blame for the situation we are in. It is not simply a problem brought on by one level of government. It is not only a problem of lack of will on the part of legislators, but it has been a lack of commitment on the part of all Canadians to deal with the fact that our consumption of our wealth in Canada exceeds our ability to create it and has for many years.

If we fail to deal with this issue at the national level and at the provincial level in a co-operative way, then others from outside our borders will deal with it for us.

In the final analysis, right now as Canadians we are not saving enough to finance our own consumption and our own investment. Therefore we are having to borrow from foreigners. Sooner or later they will either demand exorbitant interest rates because of the risk they perceive they are taking, or they will simply refuse to lend to us. That time is coming. It does not matter which party forms the government. One of the key items on the agenda is going to be to deal with that issue.

The second key economic problem which we are facing, and I think all of us would agree with this, is that of unemployment. Today as we have the first signs of a recovery beginning, we continue to have 1.5 million Canadians out of work. Large numbers of them are people who in previous recessions were able to keep their jobs. They are people with skills and training. In many cases they have been displaced by the economic circumstances in which they find themselves. They are unable to find new work, certainly not at the level of income to which they have become accustomed.

In community after community, industry after industry, we are finding that the work force is not going

through a period of temporary lay-off. In fact it is going through a period of permanent downsizing.

In the face of these two problems, the debt on the one hand and unemployment on the other, we find policy makers in a kind of gridlock saying that to address the debt problem we really are going to create more unemployment, that to create jobs we are going to have to increase the debt.

This is the situation in which we find ourselves. What we need first and foremost is an approach to dealing with these problems in a Canadian context based on honesty. I do not think we can afford the luxury any more of misleading the public and it does not really matter which party that comes from. We have to deal with the Canadian public in honest and direct terms about the nature of the problems that confront us.

Also, it is vital that we have a vision of where we want to take our country. With respect, I would like to suggest a few things that I think can be part of that.

First of all, we have to renew our commitment as Canadians to being the best. This is not simply rhetorical. We have to build in our people a confidence that we as Canadians can be as good or better than the rest of the world. We can be more productive. We can be more capable. We can be better educated.

Second, our commitment to education and to training must be unequivocal. It is simply not satisfactory that Canada labours along with a 30 per cent high school drop-out rate and with something approaching one-fifth to one-quarter of our population incapable of maintaining adequate skills of literacy and numeracy.

This is not going to be adequate in the world we are entering in the 21st century in which we are competing with others and not just among ourselves, not just with the Americans or the Mexicans, as we often talk about around here. We are also competing with the emerging east European economies of Poland, Hungary and the Czech and Slovak republics where there is a good skill base, a good education base, low wage expectations and gradually re-emerging technological and manufacturing economy. We are also competing with the new emerging economies of Asia, Singapore, Taiwan, Korea and even China.