

*Supply*

status quo and not turn our attention to how to build a better future for Canada and how to redistribute the resources we have from the status quo to plan for the future, we will always remain where we are now and not improve. We will not see rising standards of living in Canada. What Canadians want are rising standards of living, and it seems to me that the debate today has not focused on that question. It has not focused on how to change gears and shift ourselves into the new areas for the future and what the future will be.

One of the hon. members opposite who spoke earlier today talked about the automobile industry and Japan. I think one of his comments was very telling. It was that the Japanese consider the automobile industry to be an industry of the past. Where are they going from there? They are going into micro-processors and high technology industries. I believe that comment was made by the hon. member for Cariboo-Chilcotin (Mr. Greenaway) who, I might say, gave a very good speech on high technology. He is quite knowledgeable about research and development. That is the area which the Japanese and French are developing and it is where we should be heading. In fact, we are moving in that direction, but we must move faster.

This means that we will need resources. If we spend all of our resources and the wealth which the government has available to it—that wealth which comes from the pockets of the taxpayers—on protecting the status quo, we will not have that money to inject into the industries of the future in order to build for the future. I can guarantee you that over time the standard of living in this country will go down instead of up.

**Mr. de Jong:** They have been going down.

**Mr. Evans:** We heard the hon. member for Halton (Mr. Jelinek) talk about the automobile industry. The impression he gave me was that the plight of the automobile industry is entirely the government's fault and if the government would do something different, do this or that, then the situation of the automobile industry would improve overnight. Obviously, that is nonsense.

The reasons for the plight of the automobile industry are complex. Its costs are out of line. They have not modernized their plant equipment or kept up with world competition. Certainly there are some problems and perhaps there are regulations on the automobile industry which make it unable to adapt as well as it might if some of those regulations were not there. If that is the case, I would like to hear it. However, we have not heard about it today.

Where is the responsibility of the management of those companies and indeed where is the responsibility of the labour unions whose salaries and wages are very high relative to other industrial workers in Canada and certainly to those who work in automobile industries in other countries?

Where is the responsibility of the Canadian unions to respond to the difficulties of the North American auto industry, as their brothers in the United States have responded? Do we not have a responsibility in Canada to look realistically at our problems and try to do something about them? It certainly seems to me that we do have that responsibility. This problem

is not being viewed realistically by labour and management. What is being asked for through quotas or tariffs is simply that all Canadians reduce their standard of living a bit in order to protect that industry.

We hear hon. members talk about protection. I believe that the hon. member for Halton indicated that he was not a protectionist, but indeed he is because that is what he was talking about.

One of our great faults is that we do not read our history. It may be due to time pressures that hon. members do not read their history, but if we remember our history and ask why the depression of the 1930s occurred and what kept the fist of depression at the people's throats, you find it was protectionism. That is how the depression of the 1930s started and that is why it took so long to emerge from it. We did not at the time recognize what a terrible effect protectionist policies have on economic development. We are a trading nation. We are one of the greatest trading nations in the world. We of all people should know the detrimental effects of protectionism.

• (1700)

**Mr. Manly:** What is causing today's depression?

**Mr. Evans:** The Smoot-Hawley tariff in the United States is an example. The depression of the thirties has been attributed in large measure to the introduction of the Smoot-Hawley tariff, which cut off trade with other countries and caused their economies to fall as a result of not being able to penetrate the U.S. market. Then U.S. manufacturers did not have markets in which to sell their products because of the depressed nature of the other economies. The whole system spiralled downwards.

Now we are hearing the same thing. We are hearing cries from the United States, cries from this chamber and cries from European countries for protectionism. We are being told that that is the way to preserve jobs here in Canada, in the United States or in France. What will happen is that the whole system will spiral downwards.

**Mr. Manly:** That is what it is doing.

**Mr. Evans:** If we want a much more serious recession than we have now, we should just keep calling for protection, because that is how to do it. There can be no doubt about that. We are all better off and our standards of living rise when we have openness and trade among nations. "You do what you do best, we do what we do best and we can exchange", and we will all be better off for it. That is totally obvious.

**Mr. Manly:** And you go downhill.

**Mr. Evans:** We do not have to go downhill. Members of the New Democratic Party are absolute pessimists about the ability of the Canadian economy to respond to economic reality. We have done exceptionally well over the last 30 or 40 years.

**Mr. de Jong:** How come we are in the mess we are in?