

*Income Tax*

Mr. Speaker, even though in its textile policy our government has confirmed without a shadow of a doubt that it wants to save and maintain the employment level in the textile sector, we should honestly ask ourselves if Canada will have to maintain 200,000 jobs in the Canadian textile sector until the year 2000. Should we not ask ourselves how we could on the long term, when the situation allows it and if there is such a need in the future, orient part of the manpower now employed in the textile sector towards other sectors where we are more competitive on an international level and at the same time orient not only our human resources, but our capital resources—our investments and equipment—towards more productive sectors. In my opinion, these issues should not be the subject of petty politics and we should instead meet with the trade unions and the heads of businesses to study how in the long term and through re-orientation we can direct our workers to sectors where they will also be better paid.

Mr. Speaker, the former Minister of Industry, Trade and Commerce (Mr. Chrétien), who is now Minister of Finance, has taken a step in that direction. Moreover, the Department of Industry, Trade and Commerce is now making a detailed analysis of each industrial sector in Canada to determine the competitive position of our industrial sectors compared with identical sectors in other countries and to identify the strong areas where we could concentrate our manpower and our capital and where Canada has certain technological advantages.

Mr. Speaker, I think that in the long run this is the kind of question that has to be asked. When we see a plant closing down, we can of course look for all the past causes. There are many and I think the opposition should be able to list more of them than they did in the past, but one must wonder how each of these industrial sectors can manage to be competitive and if it cannot be, we must have the honesty to consider the situation and find out where we should direct our manpower.

Mr. Speaker, I believe the fiscal and monetary policies were the tools which were used by provincial and federal governments in the past, but given the present world and domestic situation, there is no way we can continue as we now do to rely only on these two working tools, namely tax rebates from time to time and interventions in our monetary policy at other times. Those interventions, however worthwhile they may be in the short run, will surely not bring to this country the anticipated prosperity in view of all the resources we have at home. If the devaluation of the Canadian dollar can temporarily benefit our exports, one must also realize that it will surely have an adverse effect on the inflation index. I believe we cannot rely only on this sector to restore stability in future.

Mr. Speaker, the Department of Finance, like the department in which I have the opportunity and honour to work, tackles the real problems, going at their very roots and trying to work in conjunction with all partners, unions and employers, with a view to rationalizing and concentrating our production in those sectors in which we are strongest, in which we can be more efficient not only on the domestic but on the international market.

[Mr. Loisele (Chambly).]

Mr. Speaker, another thing which is essential when considering a long range industrial re-organization and short range fiscal and monetary policies—and it has the same importance in any country—is confidence, that of workers in the future of our industry and that of investors; such confidence, unfortunately, has been partly lost for some time in this country.

I do not want to go on a witch hunt and identify some groups or individuals rather than others. I think, Mr. Speaker, that if we do not want to find who is responsible we should at least try to restore that confidence climate in Canada, that confidence climate which is essential. I think that the first thing to do is to offer to those working in that field some long term political guarantees.

It is obvious, Mr. Speaker, that we can accuse a politician of being demagogic when he says that political instability results in investment losses. Multinationals do invest in certain countries of South America. And some people often use that example to demonstrate that political instability is not a factor. But they invest in some countries which I shall not name, provided the risk capital represents about 20 per cent of the capital invested in a project, and they will invest that 20 per cent if they can recover it within three years, when in Ontario the average period for recovering risk capital is 33 years. So there are much fewer projects for which the capital invested can be recovered within three years instead of 33 years, which is why such projects are very scarce.

Mr. Speaker, I think that Canadians, with their natural resources, their human potential and also their will to succeed together in spite of their differences, should take advantage of those factors to restore the confidence that we all need to believe in the future of our country. For those who say that the situation is critical, yes, it is. But as Canadians we can ensure our energy supplies for many years. The province of Quebec produces now only 27 per cent of the energy it uses. For the rest of our supplies, that is oil for 54 per cent of our energy consumption and natural gas for 24 per cent, and the rest being coal, or coke, we can at least rely on supplies from our own country, from the west.

Mr. Speaker, that in my view is an extraordinary advantage. Let us think of all the still unknown resources we have there, in our Northwest Territories or Arctic areas, to boast about. We can use them as a promotional feature to tell other countries that they can still have confidence in the Canadian economy and our future. More often than not price is not the only consideration, because there is also the question of a reliable source of supplies. And this country's supplies are reliable, what with the assurance this government will be able to give that the price of oil will always be competitive with that in the United States. We believe we can honestly compete with our neighbour down South.

Mr. Speaker, opposition members have been crying for the \$100 personal tax reduction. But for some in the opposition it is not enough, and for others too much. This is overstressing matters of detail. The measures recently announced by the Minister of Finance (Mr. Chrétien) are worthwhile, just and fair at this point in time. But the same minister had started