

The Address—Mr. Saltsman

be wiped out and added to this \$150 million in order to provide jobs.

It is all right for my friends to the right to say the government should get out of business and that the government should get out of the economy. That is exactly what the government has been doing in the last few years in response to the suggestions from my friends in the Progressive Conservative party. It has been cutting back on government expenditures—or trying to; it has been responding in a more conservative way than the Conservatives themselves. What has been the consequence? It has been high unemployment. The theory has been that if the government gets out of the economy, then private industry is going to rush in there and create jobs. They say “free private industry—unfetter the hands of private industry to create the jobs.” Private industry has been unfettered, and we have fewer and fewer jobs.

Just this morning my colleague, the hon. member for Nickel Belt (Mr. Rodriguez), told me the very sad news that something in the neighbourhood of 3,000 people in Sudbury and 650 in Thompson are to be laid off. That is unfettering the private sector, Mr. Speaker!

I do not blame the private sector for not being able to create jobs. If the world market for nickel is depressed or if other factors are involved, they cannot be blamed for creating this situation. The point I am trying to make is that they are not in a position to provide jobs despite the fact that mining incentives have been given and tax write-offs have been given. The government has foregone \$1.2 billion of tax revenue and that has to be made up by someone else. Despite all this, there are fewer and fewer jobs in the private sector. It is not that the private sector wants to be contrary. If the demand is not there—if foreign countries are not buying the resources that unfortunately we were too dependent upon for too many years, if people are not buying goods and services in our economy, then business cannot respond. In a modern society the stimulus comes from government and no longer from the private sector.

The private sector is certainly a very useful part of our society and should be encouraged. I for one have no hang-ups about that. Many of the groups in the private sector do a good job, but they are no longer in command of the situation. My friends to my right and perhaps across the way might say that is because Canada has become very socialistic. I think the usual phrase is, “business has lost its confidence in the economy, has lost its confidence in the government”. I see there is agreement from my friends in the Progressive Conservative party on that statement.

Mr. Bowden: It is the first correct thing you have said.

Mr. Saltsman: Then how do you explain the fact that the United States is also going through a recession? Are they socialists?

Mr. Bowden: Their dollar state is better than ours.

Mr. Saltsman: Their dollar is dropping very, very dramatically in relationship to the British pound, of all things.

[M. Saltsman.]

While the government can be blamed for a lot of things—and I think in relative terms we could have been better off than Luxembourg—if you really look at what is happening in western society you will see that what we are going through is something virtually every society in the industrialized world is going through. There is inflation all over the world; even in countries where unemployment has been unknown for 30 years there is now unemployment. There is a crisis of some kind in the west. In many ways, and what I was going to say is annoying but it is more than annoying—it is sickening—

Mr. Alexander: Repugnant.

An hon. Member: Revolting.

Mr. Saltsman: The adjectives are coming from all sides of the House from people who have a way with the English language. This is what is so disturbing, having listened to the minister tonight—nowhere in the speech is there any kind of thinking, any kind of clue or assurance that he understands the problem we face. It is always more of the same—“things are a little tough but they are going to improve”.

If we look at the history of western society in the early thirties—I am not predicting a recession of the kind we went through then—I see the same set of attitudes, the same kind of blindness, the feeling that prosperity is just around the corner. I see the same kind of oblivion to the fact that society had broken down. It took the preparation for war and the war itself, ten years of misery, to extricate the western world from the mess it got into.

We have gone through that. We had Keynesian economics. We have had a relatively high level of prosperity in all the western world for 25 or 30 years, but again the free enterprise system, the market system, is facing a crisis. It is a crisis of a different kind, however. The crisis in the depression was one where there was not enough investment, enough stimulus, enough consumer buying power. To some extent that is the same as now, but with this difference—that during those times you had a tremendous, pent-up demand for virtually everything. By government pump priming you were able to get the economy going.

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Certainly the determination of Canadians following the Second World War to make sure that we would not go into the same recession that we went into after the World War I gave us prosperity with Keynesian economics. It taught us that if the private sector does not invest then the public sector has to invest, and to that extent the situation is similar today. The private sector is not investing, and why should it invest? It is not a question of consumer confidence; it is not investing anywhere. The point is that plants are idle in many cases, though perhaps not totally idle. They are operating at 80 per cent of capacity. So what is the incentive to invest? The only way investment will take place is if the demand is there. I do not think the private sector would invest any faster if my hon. friends on my right were sitting on the government benches.

Mr. Fraser: Let us just try it.