

Canadian Economy

● (1702)

[Translation]

Mr. Bernard Loiselle (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, there is obviously some element of truth in the motion put forward by hon. members from the Social Credit Party of Canada. However, recognizing the situation is not in itself a proposal for economic recovery, let alone bringing it about. As could be expected, we heard hon. members opposite indicate they had doubts as to the results our negotiators in Geneva could obtain in terms of economic recovery or the industrial restructuring in Canada. We heard members opposite complaining or wondering whether we should be free traders or protectionists. We heard the hon. member for St. John's West (Mr. Crosbie) use harsh words, but he gave no worth-while data to support his suggestions. He criticized the Prime Minister for stating last week in Nova Scotia he intended to propose a series of industrial strategies rather than a single strategy for industrial development in Canada. That in my view is the only avenue open to us, because at a time when it is increasingly clear that no industrialized country will make an unqualified commitment to free trade, each nation should favour a sectorial approach.

When the Minister of Industry, Trade and Commerce (Mr. Horner) speaks of fair trade, I do not believe this is a meek, senseless phrase, quite the opposite. I believe we must first make an assessment of our individual industries, to identify the areas where our manpower is centered. And after an in-depth study in co-operation with labour and management, the government should decide whether there is a future for such or such an industry.

As I stated recently, to the amazement of some businessmen in Sherbrooke, we must ask ourselves such questions as whether in 1990 we should have 250,000 or 150,000 jobs in the Canadian textile industry. And if the conclusion was the textile industry could not be expanded in terms of manpower, we should honestly face the situation and tell ourselves: Well, what do we do now with the workers who would normally be directed toward this industry, and in the event where it would become necessary to reduce the number of employees already engaged in the industrial sector, what will we do with those who will be forced out of this sector? But, I was not saying that the textile industry must be done away with, on the contrary, and the government committed itself through measures announced more than a year ago to support this industry so that being protected by tariff measures, it will be able in three or four years to restructure itself in such a way as to become efficient, competitive and productive. We will announce on Thursday a policy concerning the footwear industry involving new tariff barriers and new protection for our local industry. However, both industry and unions must not conclude that they will be protected indefinitely and need not concern themselves about productivity within their own industrial sector.

In my view, the three parties, government, industry and labour will have to agree on the best way to make that

[Mr. Saltzman.]

industry more efficient. Now, I have mentioned two industrial sectors, Mr. Speaker, as we must realize in putting those basic questions, we, as a responsible government, have adopted a sectorial approach. My minister talks about "fair trade", because later it will be possible for us to appoint and set the terms of reference of our negotiators in Geneva in keeping with that sectorial evaluation we are now dealing with.

In spite of that, we must not overlook the fact that there are shortcomings. We have talked about the textile and shoe industries, but I think we should also determine to what extent it is possible in Canada to further process our raw materials, as in the case of the autopact which the hon. member on the other side mentioned before, and I think that our only differences lie in the data on which his assertions are based. The Minister of Industry, Trade and Commerce (Mr. Horner) recently commented on Broadbent-type figures and I think that he was rather right, because I have been wondering myself about those figures and data put forward by the leader of the New Democratic Party, and nowhere, even not among people in the business, were his assertions confirmed. People will rather rely on figures used by the government. So I think we should at least start from the same data if we are to seek an appropriate solution.

Mr. Speaker, there is another industry which is now declining in Canada. I refer to tourism. At least we have good news, following negotiation and interventions of various ministers of our federal government. We are allowed to believe that the American government will amend their law which deters Americans from holding conventions in Canada. The tax exemption will apply throughout the whole North American continent, and there will be no more restrictions for us, in the sense that Americans will be allowed, like before, to hold conventions in our country, which will contribute to job creation in Canada.

In spite of that good news, we also have to wonder how we should assist our tourist industry. Some statistics show that in areas where "inputs" in the industrial sector are the least expensive, Canadian hourly salary is still 70 cents higher; and in the tourism industry the work "input", in areas of Canada where the "input" is the least costly, is still 70 cents an hour higher than in the cheapest areas of the United States. How could we be competitive? We have this question of minimum wages. I am the first to want and to wish that Canadian workers could get higher salaries but we have to accept the rules of the game. If our tourist industry is to follow the minimum wage rules, how can we justify the tips and money made on the side by the people involved in this very sector, which they do not declare although it is for them a source of income. I believe that in this area, the Department of Industry, Trade and Commerce which has jurisdiction over tourism announced the appointment of an advisory committee made up of representatives from various groups, of people involved in the tourist industry, and of people from all across Canada, which will be responsible for making an in-depth study aimed at strengthening this industry. Besides, we believe that transportation costs in Canada have had a negative effect on the