

*Canadian Economy*

The west was perfectly capable of undertaking that kind of work. In fact, it is doing some of that work at the present time. We would have had substantial manufacturing facilities in the west and it would have made sense in terms of the product and its ultimate use. We failed to do that. The consequence is that we are importing far more machinery than we export. To my knowledge, there is not a large tractor manufactured in Canada any longer, though at one time there used to be.

Consider the auto agreement, another agreement we made with the United States involving limited free trade. The point of this agreement was that we were to get our share of the North American market to the extent we purchase automobiles in Canada. That would roughly be the measure of our share. When I raised questions about this, as did others, in the early days of the agreement, successive ministers of industry, trade and commerce would pooh-pooh us. As a matter of fact, the very man who wrote the report outlining how serious our deficit has become was one of those who supported the minister, though I guess that is his job. It was pointed out at the time that the Canada-U.S. auto agreement was benefiting Canada; that in fact we were getting more than our share of new investment and production. As they said at the time, the facts were there to demonstrate that that was so.

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I went on to argue that it was inevitable in the initial stages of an agreement that investment would be lumpy. In other words, you cannot erect half a factory, or half a rolling mill, or half an assembly line; there would be a big spurt in investment which would make it look as though we were getting more than our share. The real question to be asked was: What happens on the second round of investment when the market grows and expansion is required? Where will that expansion take place? Will it take place in Canada, or will it take place in the United States? In those days, the unemployment rate was pretty low, so another question which I raised was this: If both countries were to get into difficulty economically and had high unemployment, since the automotive corporations were almost entirely foreign-owned—essentially American-owned—where would they invest? Would they create employment in Canada, or would it be in the United States? Would the United States government sit by—though, why should they?—and allow their corporations to create employment opportunities outside of the United States rather than inside? Obviously, the American government could not do that; no popular, responsible government could.

That is exactly what has happened, Mr. Speaker. Over-all, our deficit has increased and the situation does not look as though it will get much better. It may have to be sweetened a little because the deficit is too much now, but in the long run we are not going to benefit. We had an alternative in those days, as we did for all these industries. The alternative was to create a Canadian automobile industry. This was one of the threats which we used to negotiate a Canada-U.S. auto agreement, that we might go it alone. But we decided to take the other option, and now we are paying the cost. We still have to create a Canadian automobile industry if we want to be sure

that we will get our fair share of automobile production in North America. There are problems within this. For example, we may not have the variety of choice which we have now. But do we really need a variety of choice? After all, how many models of a car must we choose from in order to satisfy the consumer?

The Canadian economy has had very little attention paid to it by government. I think no other government in the world has abdicated its responsibility to manage the economy and to plan for the future as much as the governments of this country. They simply said that the private Canadian owner should do this job. Or, as more often has been the case, that the foreign owner should do it. We have no complaints to make—at least, we should not have—about the Americans. They did not come rushing in here and force us to do things. It was the policy of the Canadian government to invite them in and to pin our hopes on foreign ownership doing something for our economy.

As a consequence of this, we have an industrial structure which is one of the most unproductive in the world. But it is not the output of people working in our plants which is down; it is the way our industry is structured that makes it so unproductive. This is the problem with which we must deal, and is why we need to go through a period of protection.

I hope that any period of protection will not become permanent, something we will have forever. Rather, we should use this period to restructure our industry, make it stronger and then discontinue protection. The unfortunate case of Canada has been that although protective measures have been brought in in the past from time to time, no one really worried about using that period of grace to restructure Canadian industry. Instead, everyone got nice and fat, lazy and complacent, and then we had to face another crisis. Therefore, it seems to me, Mr. Speaker, that those who have some responsibility to work out a national economic policy have very difficult choices to face. As the minister said to me in committee, we should not talk here about being fair. "Fair" is a very nice word and I like it as much as anybody else, but what does it mean? I think we must face the harsh reality that, as a result of the mismanagement of the past, Canadian industries which provide many of our jobs will have to be protected for some time to come.

In a speech the other day, my leader said that when we go into the next election the main plank of this party will be to create one million jobs in the immediate future. I know it is very easy to say that, but it is not an easy thing to do. How do you create one million jobs? Well, Mr. Speaker, there are a number of things you can do. You can encourage industry in certain ways. You will not create jobs in the mining industry. Neither will you create many jobs in the resource industries. You must create the bulk of these jobs in the labour-intensive industries. Or if you do not create jobs, Mr. Speaker, you will have to save jobs. If we had saved some of these jobs, we would not be in our present troubles. We must create jobs in industries like textiles, shoes, furniture manufacture and electronics. Trying to go through the drill of saying that our negotiators in Geneva will attempt to work out a package it seems to me is unrealistic.