

a time when the minister says we are saving too much. This is at a time when business does not want to invest because there is no point in investing.

We may have to go back to a national plan, something like that of Sir John A. Macdonald—a kind of fortress Canada. It is not something any of us like, but the economy has been so mismanaged that we may have to retreat before we can go out again as good citizens. Either that, or we must really go out as good citizens and start redistributing income. These are our choices. We can redistribute income in this country and take a chance, redistribute it to our own poor and to the world's poor, or retreat into fortress Canada and build up our own economy.

The foreign ownership chickens are coming home to roost. I listened with a good deal of interest to the speeches made by the hon. member for Halton (Mr. Philbrook) and the hon. member for Prince Edward-Hastings (Mr. Hees). They both made a number of points which were well worth noting. The hon. member for Halton raised the question of what happens as a consequence of foreign ownership.

The great benefits of foreign ownership are felt in the early stages. There is a lot of investment to begin with, but as soon as things get tough in the home country the gears are thrown into reverse. I am not condemning foreign ownership for taking this approach. That is the way things operate. We would do it ourselves. In fact we do have a Canadian company which is mining for nickel in Asia. Because miners are being laid off in this country, we say, "Stop mining for nickel in Asia and mine it in our own country because there is unemployment here." It is a natural tendency for any governing body to say in such circumstances, "Come home. Bring your jobs home."

• (2217)

It is natural in the United States, which is also faced with large scale unemployment, to say to its multinational corporations, "We do not want you investing your money around the world. That is fine so long as we do not need jobs here. But we do need jobs at home now and we want you to invest back here". This is precisely what is happening, Mr. Speaker. You see it happening with the Canada-U.S. auto agreement. In the initial stages Canada was reaping considerable benefit in terms of the number of jobs created in this country versus the number of automobiles purchased in this country. But in the last number of years the situation has been reversing itself and we are now running a serious deficit with the United States, if you include parts and finished cars.

If you look at the figures in the Auditor General's report showing what is happening to skilled jobs in the automobile industry, the same pattern emerges. The hon. member for Don Valley (Mr. Gillies) should be grateful for this: we are becoming the hewers of wood and drawers of water when it comes to making automobiles. The skilled jobs are going to the United States. We will be facing a serious situation unless something is done about it.

What we need is an industrial strategy. Today my leader issued a press release in which he said that we have to come to grips with an industrial strategy in the field of textiles, shoes,

Income Tax

and the auto industry. If these limited free trade arrangements do not do the job, we will have to do more than that; we will have to protect our own industry. This is of particular importance in view of the delicate situation in Confederation. I use the word "delicate"; I presume I could use other words. Many people think that Quebec cannot do it alone. Many people labour under the illusion that the advantages of Confederation are so great that the people of Quebec would never try it on their own. The advantages of Confederation, when one looks at the state of the Canadian economy today, are not that great that the people of Quebec would say they dare not try something else.

I predict that within a short time you will see what is the strategy of the Parti Québécois. They will opt for an economically buoyant Québec. They will say to the people of Québec, "The Canadian government in Ottawa, which is supposed to represent all of us, is unable to solve the economic problems of this country, particularly unemployment; we will show you that in Quebec, even with our limited authority, we will do better than the federal government." When they find they cannot do better and they fail in some areas because a province does not have the power that the federal government has, they will tell Quebecers, "If we had federal powers this is what we could do for you".

I do not want to see Quebec separate, and I do not think any member of the House does. I hesitate even to talk about it for fear the talk itself may hurt. The reason I do talk about it is that I think silence may hurt more. If we do not face the reality of the bankruptcy of federal economic policies, then we will lose this country. When the country is strong and not under stress, we can put up with all kinds of inane solutions to solve the problems of small business and of the economy. But under the circumstances we need far more from the government than the kind of perverse and misguided policies which it has introduced.

I would settle, and I am sure many of my colleagues would too, not for the government solving our problems overnight; not for the government saying it has pulled a great big lever and created 100,000 jobs. I would settle for less than that. I would settle for a statement from the government that it understood the serious difficulties that we are facing. I would settle for a statement from the government which indicated that it understood the serious difficulties it is facing; that it understands the policies it has been bringing in for the last number of years have been working to the disadvantage of the country, and it is now prepared to move in a new direction and say, "We will swallow a bit of our pride." I do not want it to make an abject confession.

• (2222)

Mr. Blackburn: You are expecting too much.

Mr. Saltzman: Perhaps that is so, but that is the trouble with socialists; we are always too optimistic about human nature and we always think everyone is capable of being reformed, including Liberals. Perhaps that is too optimistic, though there are some good fellows over there.