

*Supply*

have talked about this afternoon and which is so important in meeting the very tough international world today.

My fourth objective must arise out of the conclusion which must be reached by national consensus. We must accept the fact that Government policy must build self-reliance. We must reverse the growing trend to more reliance on Government. Canadians, both individuals and business, must not constantly turn to Government for support and for a bail-out, and Governments must say no more often and must explain fully and honestly to Canadians why they are saying no.

Canada today is in a serious economic recession, and in this environment it is natural to expect that many Canadians will be looking more to Government for help. But we are also in a period of major industrial transition. People will lose their jobs; companies will go bankrupt, for reasons which are primarily related to this changing environment. The world is changing and it is changing fast. Many Canadians will adjust and they will make it through, but many will not. And the role in Government in this instance is not to bail out companies or to sustain jobs which can no longer be supported. Canadians understand that this change is upon us. We must accept it. We must adapt to it and we must maximize the benefit that will come from these changes.

The role of Government is to help Canadians meet this need for change. It must support manpower and retraining programs in a major way. It must assist and encourage companies to change, through incentives for research and product development. And it must maintain a safety net to catch and assist those individuals who are having trouble adjusting. Put in its simplest terms, Governments must help us all to prepare for the future, not relive the past. This will require a major change in attitude by Governments and by individual Canadians.

I think many Canadians have made the adjustment. I think they have accepted the need for that change, but I do not believe that Governments have moved nearly as fast as they should have done. This surely is an area in which Government must lead, not be drawn in to the future, kicking and screaming, after valuable time has been lost.

My final priority is very much consistent with my Conservative philosophy. We must move into this new world by placing primary reliance on the initiative and determination of the individual. I am convinced that the combined will, intelligence and energy of many individuals, acting in their own self-interest in building for their own future, is much more powerful and knowledgeable than a small coterie of politicians and bureaucrats making centralized decisions here in Ottawa.

For the very same reason, I have more confidence and faith in an economy built on a thriving, vigorous and self-reliant small business sector than one which is dominated by a concentration of Government-owned and large privately-owned companies. Our future must surely rely on this type of society and economy. It is the surest guarantee of those economic freedoms which are so fundamental to our way of life in Canada.

We are now entering a period in which there will be great pressures on individual Canadians, as well as on our economy and institutions. We must demonstrate great courage and determination as a nation and as individuals. We must tell Governments that they must not cave in and bail out the past. As individuals we must strive harder to get by on our own and to reawaken that spirit of enterprise that brought this country to its feet in its earlier days but which has slipped somewhat in recent years.

Now, those are the five objectives I have set out, and I want to move quickly into some of the specifics that I believe we can be looking at in addressing the specific problems of today.

Let me analyse the current problem in its simplest terms. We are in a vicious circle where we have a lack of business confidence because consumers are not buying and where we lack consumer confidence because they fear for their jobs. But because they fear for their jobs and they are not buying, business confidence falls because businesses are not selling things. We have to break out of that circle and we must, somewhere along the line, break the circle to improve the confidence of one of these elements. That is the biggest challenge of governments; how to stabilize that unemployment figure. I believe the way to do it is through new investment. This is not going to come from existing companies, because most existing companies have gone through a very wrenching experience in recent years in which they have tried to scale back to build a more productive enterprise. They will not be going out to hire people very quickly. We have to look to new business investment, small business start-ups and foreign investment. The small business organization recently submitted a report to the Minister of Finance (Mr. Lalonde) which deals with a number of these areas. I urge the Minister to consider these carefully when preparing his budget.

• (1610)

I also urge the Minister of Finance and the Prime Minister to look very carefully at the role of foreign investment in this country. In Question Period today he referred to the job-creation aspect of new investment coming in. I agree. For the last three years we have been pleading with them to take that into account. Also, let us not forget the fact that foreign investment brings new technology and a more efficient type of operation in some instances.

Let me make one final plea. Government Ministers and others talk about the need for a higher deficit to stimulate the economy. I draw their attention to the fact that in the past, month mainly because of the spectre of high deficits in the United States and high deficits in Canada, proportionately double what they will be in the United States, we have seen a levelling off in recent days, an increase in long-term interest rates. Higher deficits will snuff out economic recovery through higher interest rates. I hope that is the message the Minister of Finance is receiving from people in the community as he goes about conducting his pre-budget meetings.

In conclusion, I do not want to enter into a debate today on comprehensive policy. I tried to outline a broad thematic