

with a package acceptable to Canadian negotiators, report on business interviews with trade officials in Ottawa indicate.

Both the European Economic Community and Japan still have a way to go to make their offers acceptable to Canada—

The shortfalls in the Japanese package are in fish and farm products,—

Non-ferrous minerals and paper products are the main areas of difficulty, and there has been minimal movement in fisheries products and nothing significant in agricultural products.

This is the kind of thing we want to hear discussed. What is really happening at GATT? What can we expect of GATT? The people involved in fisheries are dependent upon the United States market. They would like to know what is happening at GATT. We on the opposition side would like to know, and I am sure Liberal members opposite would like to know. Rather than a bill to borrow \$17 billion, a minister should come in and spend some time tracing out the negotiations at GATT, what is really happening there, and what our prospects are. That is what our manufacturing industry is waiting to hear. That is what our fishermen are waiting to hear. That is what our agricultural organizations are waiting to hear. They do not want to hear the government asking for \$17 billion before it has produced a straight, new, economic investment and financial program. Give us the programs first. Then we will authorize the dollars afterward, if we think the programs are worth something.

What is happening at GATT? Never has a government been more anxious not to give information as this government is with reference to GATT and everything else. This is why we came here two weeks ago. We came to hear about GATT. We want the government to rat on GATT. We want information as to what is happening, what Canada's future is in trading, and not nonsensical studies produced by the Minister of Industry, Trade and Commerce to show that there is nothing wrong with our deficit in fully manufactured end products, even though it is \$11 billion.

● (1632)

I could talk all day, Mr. Speaker, and I intend to unless you stop me. Let the government come in and give us some answers. What about our investment hemorrhage? We are hemorrhaging in Canada in the dollar sense. In the first half of 1978 Canadians made direct investments abroad totalling \$910 million, principally in the U.S. This is the largest six-month outflow of dollars in Canadian history. The outflow in the first six months of 1978 was greater than the yearly outflow in all our previous history, with the exception of 1975. Now what about the counterbalance of foreign direct investment into Canada, Mr. Speaker? That inflow in the first half of the year was only \$185 million. Foreigners invested \$185 million in Canada, and Canadians invested \$910 million outside. We had a net outflow of \$725 million in six months, greater than any yearly outflow, with the exception of one year.

Why is this happening, Mr. Speaker, and what does the government propose to do to change it? Surely to God we cannot afford to have, in six months, such an outflow, and if it continues it would put us in very dire straits, a \$725 million

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outflow of capital more than is coming into the country. We are a country which still needs capital to develop all kinds of our resources. Canadians apparently have no faith in their own country, and they are investing outside more than others are investing here. What does the government think of that? Can or will ministers do anything about it? What do they think about it? What is the bright side about it? This is what we would like to hear. We came here to hear the government's new economic, industrial and financial proposals, not to authorize billions of dollars in borrowing. It will be \$38 billion that we will have authorized in 17 months if we pass this bill. Let us hear something on this problem of investment before the government asks us on this side to approve this bill.

One gets sick of even thinking of the statistics on every side. A person cannot find a bright corner anywhere, and it is not the opposition's role either to look on the bright side. It is our role to point out what the government is doing wrong and what it needs to correct it. The professional, bright-eyed optimist should be on the government side, but they are getting more doleful every day. They are Pinnochios, as I said the other day. What we want to hear, is what we came here to discuss.

The Minister of Finance announced in September a \$750 million loan from the U.S., the second bond issue this country had in the United States. This amounts to \$1¼ billion. Then we had a 1.5 billion deutschmark loan in West Germany, which at that time amounted to something like \$705 million. The total foreign credit in loans that this country has arranged this year is \$7.7 billion in money which was borrowed outside of Canada or arranged. The spendthrift crew opposite does not know how to do anything except to borrow, this crowd that had the gall to criticize the province of Newfoundland because it was borrowing a couple of hundred million per year.

How do they propose to pay for that, Mr. Speaker? The interest costs alone are more than \$100,000 daily, finance department estimates indicate. We are selling off our international reserve holdings at a rapid rate. So far this year we have sold \$3.2 billion U.S. of our international reserve holdings. Prior to this year the government had not borrowed outside the country in ten years. These are things which we want to hear about, but we are treated with contempt, as are the Canadian people, by the Minister of Finance, who comes into this chamber and asks us, in a ten-minute cursory speech, to authorize the borrowing of \$17 billion. He will have some job borrowing it if I have anything to do with it, Mr. Speaker.

When the minister comes before the House in this way—and I have pointed out some of the things which the government is telling us nothing about—it is time for us to bring forward some grievances. There are something like \$11 million to \$12 million that the government would not have to borrow if it had administered the income tax laws of this country honestly and efficiently. I have mentioned before in this House, and I am going to keep mentioning it until we get to the bottom of the matter, the dealings of that one individual, Mr. John Christopher Doyle, a great friend of the government, and who owes the government not only what I reported last June but more than that.