

Supply

situation much worse than it needs to be. I assume that members of this House of all parties want to solve Canada's problems. Certainly we should because that is what we are here to do. That is what we are paid for. That job is fundamentally beyond payment: that is our duty to the people who sent us here.

Let us look at what caused some of those problems. Let us not pretend that everything that is going wrong in Canada is caused by Ronald Reagan, Margaret Thatcher, François Mitterrand or some other foreigner safely distant from debate in this place, because a large number of our problems were caused right here in this country. We can solve them right here in this country if we have the guts and if we have the will to do so.

[Translation]

For instance, let us have a look at what is causing inflation. In Canada, inflation is largely caused by the fact that the government has indulged in unrestricted spending and taxation since 1972-73. Government deficits during the last ten years, ending in 1981-82, have totalled over \$77 billion.

● (1530)

Thus, today, the federal government's second largest budget envelope covers payment of debt interest and debt charges which, according to the government itself, will reach \$16.6 billion during the current fiscal year. Out of every \$5 spent by the federal government today, \$1 is for debt interest and charges. This is one of the major causes of inflation in Canada.

[English]

What about interest rates? They are in part, of course, caused by inflation, but they have been 3 per cent or 4 per cent higher because of the need to protect the weak Canadian dollar. The Canadian dollar is weak because in the period from 1974 to 1981 we have had \$30 billion in deficits on the current account of our balance of international payments with the rest of the world. We are paying the price now for the legacy of John Turner, Donald Macdonald, the Minister of Justice (Mr. Chrétien) and the present Minister of Finance.

Then in the face of that and in the face of developments in the world, the government introduced an energy policy and a budget designed directly to drive away Canadian investment and foreign investment which create jobs and growth in Canada. At precisely the time when the Government of Canada needed to build investor confidence, the government delivered this double whammy of its budget and its energy policy. It literally drove billions of dollars of investment and hundreds of thousands of Canadian jobs out of the country. That was not done by any other country; it was done by the policies of the Government of Canada in a budget that is wrong and in a National Energy Program which is dreadfully and disastrously wrong. Everyone with a modicum of common sense, everyone who went beyond grade three and many who did not get that far, knows that investment which creates jobs needs a stable climate, needs conditions upon which one can

count, needs rules which will not be broken at the whim of a minister or the whim of government. Canada has become as stable as a string of firecrackers. No one knows where the government will pop off next. It has breached contracts, it has confiscated land, it has deliberately destroyed the ability of individuals to save, and it has deliberately stopped incentives which it knows on the record would create jobs.

An hon. Member: Oh, oh!

Mr. Clark: And they laugh! They laugh about confiscating land in the country. They laugh about breaching contracts in the country.

Mr. Guilbault: We have more savings than before.

Mr. Clark: They laugh about destroying the capacity of Canadians to obtain jobs. These are Canadians.

[Translation]

And those laughing today are Quebecers, from a province and a region that is suffering most as a result of the policies of this government. They must be people without any sense of shame, considering the fact they are supposed to represent those who have suffered such hardship as a result of the policies of this government.

[English]

The result of this deliberate introduction of the double whammy of a budget which is bad and an energy policy which is bad has been that \$10.2 billion in direct capital investment left Canada in 1981 alone. That is direct capital investment; it does not take account of the other \$9 billion in unidentified capital flows, a figure which, by the way leapt fourfold in the last year. In the seven years before the double whammy of the budget and the energy program, Canadians invested \$16 billion in foreign countries. In 1981 that direct capital investment by Canadians soared to \$10.2 billion in one year. That was made up of \$5.3 billion in foreign capital which left the country and \$4.9 billion in direct investment abroad by Canadians.

The Canadian Institute for Economic Policy, headed by the Hon. Walter Gordon, suggests that \$1 million in direct investment creates 40 to 50 jobs. Let us just assume that \$1 million of direct investment creates 40 jobs, according to the low figure of Walter Gordon. If just \$1 billion of that job-creating capital which has left Canada had stayed in Canada, it would have meant 40,000 jobs here. If that money had not been driven away by the Minister of Finance, there would be 40,000 Canadians working today who are not working today. If the \$4.9 billion which Canadians invested abroad last year had stayed in Canada, it would have created 196,000 jobs in Canada.

Those are the stakes. We are dealing with people's lives here. We cannot blame other people. It has been the policies of the government which have driven away the money that could have created the jobs, the hope and the faith which Canadians want to find in their country.