

Finance

service account deficit by 1980 according to Wood Gundy will be \$9,100 million.

The minister in his remarks asked for some proposals. He asked what would we be doing. Let me assure him the first thing we would be doing is not making irresponsible statements as he has done as Minister of Finance.

Some hon. Members: Hear, hear!

Mrs. Holt: Would you peg the dollar?

Mr. Stevens: The minister did not touch on how they intend to regain our competitive position in the world market in order to ensure that that current account trade deficit will not continue to plague this nation. We have a program to get productivity moving in this country. We have a program, when we form a government after the next election, which will bring the current account trade deficit down. The hon. member for Welland (Mr. Railton) has been asking all night for that. I do not doubt that he is getting a little desperate in that party realizing that they are absolutely void of any ideas themselves.

I am glad the Minister of Finance has returned to the House. What he and the government of the day have to do is present a package not only for domestic consumption but for international consumption that will once again restore the confidence of the international world in Canada. That is the first task this government must accomplish if it is to bring our dollar into proper balance.

You cannot continually tell the international world that you have a floating dollar when the international world knows you are losing money at the rate of \$100 million a week to defend that dollar. You cannot fool the international world when they realize we have an inflation level substantially above our main competitor, the United States. You cannot fool the rest of the world when they know we have a \$9.2 deficit in our own federal spending accounts this year and it is likely to be \$11 billion or \$12 billion next year.

An hon. Member: What about Ontario?

Mr. Stevens: The hon. member asks about Ontario. I wish the hon. member would look at the collective position of all our provinces. He will find they are in surplus. They are not in deficit.

The minister asks for a few ideas. When I try to give a few ideas we find members in his party interrupt. This country has got to face reality. The rhetoric of the Minister of Finance will not regain our prosperity. Every time he is asked an economic question, simply wrapping himself in the flag will not regain our prosperity. The minister's main responsibility is to get back to work. Let me assure you that if the minister thinks he can paddle to New York, U.S.A., or London, England, and expect those nations to give hundreds of millions of dollars of credit to this country without a package of solutions to present to but his house in order, he has a big surprise coming to him. The fact is that the hard nosed international lenders are going to take a solid, slow look at Canada before they push in to give this minister the support he apparently intends to seek.

[Mr. Stevens.]

Mr. Railton: Doom and gloom.

Mr. Stevens: I notice the hon. member for Welland, and I did not prompt him to give me these leads. He says "Doom and gloom." I refer him to the Chase Manhattan periodical published in October, 1977. Surely the minister likes that month, he has already put it on the record because he thought it might help him in his plight tonight.

The Toronto *Star* reports an article by Chase Manhattan which in a devastating and pessimistic way talked about the Canadian economic outlook saying there is virtually no hope of solving pressing economic problems. Canadian economic policy is between a rock and a hard place, it says. It calls wage and price controls a drag on the economy. We have some hard problems to solve in this country, Mr. Speaker. The time has come when this Minister of Finance, instead of pretending there is a 5 per cent real growth when his own advisers have told him he is overly optimistic, instead of pretending that we are heading for a 6 per cent inflation level when his own advisers are telling him that is not so, instead of pretending that somehow unemployment is going to be less when his own advisers are telling him that it is not so, must level with the Canadian public. It is time that he asked them, "What is the package that will correct the inflation that we have in the country, get our real growth moving?" When he can do that he will perhaps get a more satisfactory dollar and we will not have this type of debate to encounter.

The minister began by asking what is the crisis? The crisis in Canada today is our future. If we do not right our economic self our economic future will be taken from us.

Let there be no doubt the first step in our plight was the \$1.5 billion line of credit. The second step down the slippery slope we are on is this proposed borrowing in foreign lands to help prop up our dollar. The third step will be into the clutches of the International Monetary Fund. If we go to the International Monetary Fund it will mean we have lost control of our economy. In short, there is a coming discipline. The coming discipline will be the regulations and control of the International Monetary Fund that will be forced on this nation if we wish to continue. That future is not needed. If this government would accept the responsibility, if it would be more disciplined and if it would stop bringing in estimates as it did today contemplating spending increases of 10 to 12 per cent, increasing the spending of this government by \$5 billion, we would not be getting into the clutches of the International Monetary Fund.

Judging from the remarks of the Minister of Finance tonight I do not think he has learned the lesson. He is still talking vaguely about floating dollars and saying all is well. The fact is that, if he persists, we will have still a lower dollar and, unfortunately, all of us will suffer. It was pointed out last October that the fall of the dollar by about ten cents at that time cost Canada \$2.8 billion in terms of the \$28 billion of foreign debt that we had outstanding. That is indeed a costly price for any country to pay for a government led by Pierre Elliott Trudeau.