

Economic Conditions

many thoughtful speeches which have been made dealing with what I think it has now become abundantly clear is a genuine economic crisis in the country.

Indeed, looking back over the perspective of the time that I have been here in Parliament, which is getting to be several years now, one can detect an extraordinary drift toward the very kind of position in which we now find ourselves. It is almost as if our country has been seized with a kind of pernicious inertia which has seen us get more and more indebted, particularly to foreign money lenders, to the point where we are now experiencing some real difficulty in meeting our own economic objectives because of the financial burdens that we have been subjected to by the government's policies over the years.

The Prime Minister (Mr. Trudeau) and his cabinet, ever since the Prime Minister came to power in 1968, have taken a country which at one time was the envy of the world, had great resources, had unused financial credit, and in which much good will existed among the various provinces and systematically brought it to the point where we find ourselves today struggling with some very real problems which have really taken us to the point where we are classed almost as a Third World country, if it were not for our extraordinary resources. We had a first-rate opportunity to lead the world and to show what could be done by Canadians, thinking back to those heady days of Expo, but now, because of a second-rate government, we are facing a Third World economy, and it is a very, very serious situation indeed.

If anyone doubts the seriousness of the interest burden, they could do not better than to read a column in the *Montreal Gazette* by Don McGillivray, who points out the following:

The share of Canada's national income collected by people who make their living from interest and other investment income—in other words, the wages of money—has doubled in the past 10 years.

In 1970, it was 4 per cent of the gross national product (GNP)—

In the same 10 years, the share going to wages, salaries and other labour income—the wages of work—has stayed at about 56 per cent of GNP. And this means that the share of the GNP going to each worker has declined, since 64 per cent of adult Canadians now participate in the work force compared with 58 per cent in 1970.

Even this comparison doesn't tell the whole story. The wages of money show up not just in the hands of coupon clippers but also in many other places, including corporation profits, especially those of banks.

It can't do the much-discussed work ethic much good for the ordinary worker to see this real wages decline while the real returns of people who let their money work for them are rising sharply.

This situation is most alarming. I believe we owe in excess of \$67 billion to foreign moneylenders. The burden imposed on our economy by paying the interest on this amount of money is substantial, and surely it must be arrested before the situation becomes worse.

There are economists who will argue that the national debt is not of great relevance as long as it is owed, in effect, to ourselves, but I have never heard an economist who would not concede that money owed to outside moneylenders in the amounts we are talking about does not present a real obstacle to the proper functioning of our economy. For example, the annual cost of interest on the public debt next year will equal

\$500 per capita and \$1,390 per taxpayer. Almost one dollar in four is used to service this debt. This compares with one tax dollar in nine, only seven years ago.

We could look to the energy sector of our economy to generate the kind of revenues that could arrest this very alarming situation. We could do that if it were not for the pernicious energy policies brought in by this government and highlighted in Bill C-48 which we will be able to discuss again very soon in this House.

The budget, including the disastrous energy policy, has done absolutely nothing for many important sectors of our economy. There is nothing of any substance for housing, as the hon. member for Winnipeg North (Mr. Orlikow) pointed out a few moments ago. There is nothing at all except \$15 million for the next four years for MURBs, and everyone knows that that is almost an insult rather than an incentive for any meaningful housing recovery. There is nothing in it for farming of any substance, and as far as fishing is concerned we see the same lamentable situation. In the Atlantic region where I come from this is not, perhaps, a major economic issue, but it has become a very sensitive issue. The government has even allowed Canadian National Railways, despite very bipartisan pressure being brought to bear by all members of this House, to go ahead with its proposal to close express services and further retreat from its obligations as a national railway.

The national energy policy of the government, so-called, has a depressingly familiar ring to it. I would like to say a few things about Bill C-48, without pre-empting the speech I hope to make later, but let us take a moment, those of us who sat in this House for a number of years, and look at the sense of *déjà vu* which must exist when we cast our eyes back to 1973 when Donald Macdonald was the minister of energy, mines and resources.

● (1430)

Mr. Douglas Fisher, a former member of this chamber, a very astute columnist, summed up the situation very well when he pointed out in an article in *The Toronto Sun*, approximately a month ago, the strange familiarity that many of us now feel when we look upon the objectives that the government is proclaiming for us so far as national self-sufficiency in petroleum products is concerned. Douglas Fisher recalls that on December 6, 1973, Donald Macdonald brought in his national energy policy and, as he says, its platitudinous slogan of "security; opportunity; fairness." That policy was going to make us energy self-sufficient by 1980. Here is how he was going to do it.

He said that the first thing he was going to do was to do away with the Ottawa Valley line, and this would create a national market for oil which would be supported by a pricing mechanism with sufficient incentives for the development of our oil resources; and any rise in prices would be used to ensure security and self-sufficiency. Remember that this was back in 1973. He went on to say:

The oil pipeline from the west would be extended to Montreal "and as required to eastern points".