

The Economy

increased at a rate approaching 20 per cent, and this fed the inflation problem in a most serious way and resulted in the anti-inflation program that came in two weeks after he jumped ship. Also during that time we had a total loss of control of the collective bargaining process in the public sector.

As I said, this led into the Anti-Inflation Board. Period under Donald Macdonald and the current Minister of Energy, Mines and Resources (Mr. Chrétien), a period of government regulation and intervention which has been unsurpassed in Canadian history, except in wartime, regulation which produced bottlenecks and discouraged investment. It was a period during which the government was going to address the structural problems, it was going to solve some of those structural problems which were leading to inflation in the country. But nothing was done during that period and the result has been runaway inflation and the high interest rates of the past two years.

Finally, we have the period under the current Deputy Prime Minister, the former Minister of Finance, who presided over the destruction of our oil and gas industry following his first budget, and the rest of the small and large business community in his second budget.

Now, a common thread, Mr. Speaker, through all of these Ministers of Finance was that none of them had a business background prior to becoming Minister of Finance. They did not understand management.

Some hon. Members: Hear, hear!

Mr. Wilson: They did not understand the importance of the economic problems, they did not understand the importance of the deficit or the importance of investment in new technology. That is the background we are looking at today, Mr. Speaker, which tells us why we have the current mess that we have today. And what the Prime Minister and the Minister of Finance neglected to say is what I have set out before the House today. All the Prime Minister said was, "Trust us. Trust us and we will win. We will beat inflation". But we are going to beat inflation, Mr. Speaker, not because of six and five; that has hardly taken effect. We are going to beat inflation because the economy is so desperately weak that there is no demand to push prices up. The six and five in fact may even hurt the economy because if it is not administered in an equitable way, people are going to turn away from the desire that the government has set out of people pulling together to beat this thing called inflation.

● (1700)

If people think they are being tricked because some civil servants are getting six and five and others are getting nine and ten, if TransCanada Pipelines are getting 16 per cent and Bell Canada getting 6 per cent, if we have the beer excise tax going up by 15 per cent—if all these inequities are allowed to slip into the system, people are going to ask whom they can trust in this Government if that is the way it is playing the game.

The problem with inflation today is not the private sector; the problem with inflation is Government regulated prices, prices for government services and excise tax on various commodities. The Minister of Finance knows that since the beginning of this year the federal excise tax on natural gas has gone up some 80 per cent. That is the problem with inflation in this country today.

Economists are predicting that inflation will drop, that it will be down to well below 10 per cent next year because of that weakness in the economy. What we need today is not a continued fight against inflation—we have to maintain the pressure there—but a shift in direction to free up and encourage the private sector to invest and to create jobs. The problems today are with the million and a half people who are without a job; the problems today are with the 500,000-odd people who are running out of unemployment insurance entitlements because they have been out of work for too long.

And the Prime Minister asks us to trust him. The Prime Minister says that if we trust him everything will be all right. When Canadians across this land wake up in the morning and ask themselves, what is this Government going to take from us next, confidence is replaced by suspicion and trust is overwhelmed by fear. That is the tragedy of the Prime Minister's three-part series last week. That is the misfortune of the statement of the Minister of Finance today. That trust is gone. The response is empty. Today's rhetoric is not enough. Canadians are saying, "Don't tell me, show me". Canadians want opportunity; They want security. These goals are linked because opportunity leads to growth and growth brings security.

People ask me how the private sector creates jobs. Let me illustrate by telling of two Canadians—not big businessmen, but two Canadians who are trying to build a good life, Canadians who thought they had a secure future and were providing secure jobs for other Canadians.

One of these Canadians appeared before our budget committee last January. He told us he left a major U.S. subsidiary some ten years ago and competed against it in a small way quite successfully and built a nice business which employed 55 people. I asked him if ten years ago there had been the same tax environment as there is today, would he have left the company with the higher salary, the perks and the security of a larger company to go out and risk it all and try to build this business. He thought for a moment and said, no, he would not have left that company. If he had not left that company, 55 people working for him today would not be working for him, they would not have those jobs.

The other man is a constituent of mine. He employs 26 people. Three times since the November budget, which hurt him very, very badly, he took specific steps to move his business to the United States. If things do not change, if there is not a better environment, if he does not see opportunities here, he will leave and the 26 people currently working for him will be out of jobs because he is the driving force in the company.