

### *Borrowing Authority*

cess in coping with the balance of payments problems and the other economic problems that hurt many Canadians so acutely.

In January, 4,500 Swiss residents were unemployed, or .2 per cent of the working population. That country has taken a strong stand on inflation for many years and, as a result of its monetary and fiscal policy, inflation stands at 3.6 per cent compared to approximately 11 per cent in Canada.

The government proposes to spend \$1.4 billion or \$120 per share to buy Petrofina. As I understand it, Petrofina owns 1,000 service stations; a 5 per cent interest in Syncrude; a slightly larger interest in the Alsands plant which, of course, has been suspended because of the unacceptable energy policy, and it also has some unexplored frontier land. Incidentally, Mr. Pierre Nadeau, chief executive officer of the company, has resigned because he will not work for a Crown corporation. That is one example of unemployment as a result of the energy policy. The founder of the company, Mr. Alfredo Campo said that the price is so far beyond what any other company would pay for it or what the market is indicating, that he wondered how it made sense. It only makes sense if you are using other people's money, or money printed for the purchase, over and above what can be taken from the Canadian consumer.

The budget mentioned inflation but had absolutely nothing to say about solving the problem of the steadily rising deficit. It is predicted that the deficit for next year will increase by \$3.5 billion to a total of \$15 or \$16 billion. In the west we call that sucking and blowing simultaneously. It is a hard thing to do and it will be even harder for the Minister of Finance to do it. In the east it may be called walking both sides of the street, but in the west we call it sucking and blowing simultaneously.

A request to this House for authority to borrow \$14 billion is just another indication of the government's bankrupt economic policy. It is, I believe, the reason there are more than one million unemployed Canadians; it is the reason that inflation is in the order of 11 per cent; it is the reason our dollar recently stood at a 50-year lowpoint; it is the reason that investment capital is leaving the country and has been leaving for the last two or three years at a substantial rate; it is the reason for many people leaving Canada; it is certainly the reason for the oil industry being invited to leave, and I maintain it is the reason hon. members opposite constantly talk about things such as the Constitution. They know perfectly well that nothing can be done about the economy while they try to tear the country apart.

Just yesterday I received a phone call from someone in Quebec telling me that two stores had closed down in the community, presumably because of insolvency or bankruptcy. This is another reason the country has so many economic and social difficulties. Diluting or inflating the currency is not a good place to start and we should recognize that.

I should like to refer to an article which appeared in the November 4, 1980, issue of *The Canadian Journal of Economics* by Thomas J. Courchene, a professor at the University of Western Ontario. At page 559 he writes:

Moreover, with the decline of the market system as a co-ordinating institution, the regulation of social and economic activity becomes progressively more personalized and paternalistic. The logical culmination of the protected society scenario is aptly captured by Edward Gibbon's comment, albeit in a different context, in the fall of Athenian democracy; "in the end they valued security more than they valued freedom, and they lost both".

He gives an example of what inflation does to people on page 569. Referring to 1974, he writes:

Yet the bank rate remained at 7.25 per cent. Individuals began to scramble in order to hedge themselves against the ravages of inflation, and not surprisingly, the most obvious and convenient hedge was the housing market. As a result, housing prices jumped precipitately in the first quarter of 1974. Dreams were shattered, substantial wealth transfers occurred, and the market as an allocative mechanism was called into question.

Further down on the same page he writes:

There is no question in my mind that experience with inflation has convinced a goodly number of Canadians that political rather than market allocative mechanisms are preferable across an increasingly broad range of goods and services.

● (1650)

It is my belief and it is, I believe, the view of an increasing number of Canadians that there is not enough difference between the economic policies of the federal Liberal Party and the federal New Democratic Party to stick in a very small thimble. I maintain that the present government is more irresponsible in terms of economic policy than is the New Democratic Party, for instance, in the province of Saskatchewan. Hon. members may ask why. The New Democratic Party in Saskatchewan does not run a deficit—I believe there was a minor one last year—at least not in the magnitude of \$15 billion or \$16 billion, which we are talking about next year. The New Democratic Party in Saskatchewan has some sense. I do not think they are financially responsive, to the kind of policy we are getting from this government and have had from this government for many years, or what it is doing to the least protected members of society. I am, of course, including the pensioners. They are the readily identifiable group.

A constituent came to see me about a month ago. He was a pensioner from the CNR. He and his wife receive a small pension from the CNR, the old age security and the guaranteed income supplement. Between the two of them, after paying rent in a city-owned house, light, gas and so on, at the end of every month they have \$108 left to pay for their transportation, food and clothing. There is not a member in this House who does not know what government created inflation does to people on low incomes and unprotected members of society. It is an outrageous situation and more and more Canadians are becoming quite desperate about it. I submit it has to stop.

We hear people asking why Canada is becoming so de-industrialized. Professor Innis pointed out sadly that Canada is one of the few countries in the world to go from being a colony to a nation to a colony. That is a tragedy for this country. I believe it is a tragedy created by the economic, fiscal and monetary policies of the present government. May I ask how much time remains, Mr. Speaker?

**Mr. Deputy Speaker:** The hon. member has 12 minutes.