

Supply

know what it is doing. As interest rates rise, people tend to transfer funds from demand accounts to interest bearing accounts. Thus, the M-1 no longer qualifies as a good gauge as to whether or not the money supply is accurate. Liberal members have supported the Bank of Canada in the last few years, but most experts agree that they are wrong.

Mr. Evans: Name your experts.

Mr. Wright: Nuala Beck, an economist at Pitfield, MacKay, Ross described the outflow of capital as a hemorrhage and said that it resulted not simply from a search for higher returns but from a fundamental investment decision to move long-term capital out of Canada. Greenshields said in equally strong language that the national energy policy and the investment policy of the government led to a large amount of outflow of money from the country. Numerous experts have said the same thing. Unfortunately I do not have all their names here, but I could easily find two dozen.

I should like to refer to an article in the April 7 edition of *The Globe and Mail* by Ronald Anderson, an economist and consultant, who said that while the political objectives of the national energy policy were attractive, the economic objectives were never really determined. The economic cost to Canadians is considerable. I referred to that in more specific terms earlier.

● (1730)

We have watched the national energy policy cause a deterioration in this country's economic development. As a result of this policy, capital has left the country. It has also contributed to higher interest rates. The situation has to change. We have watched the Minister of Finance and we have seen the similarity between what he does and what the Minister of Energy, Mines and Resources does. They are both afraid to back off policies which are not only unpopular but do not work. Many of us have given the ministers examples of how to correct the economic situation. On the one hand we could encourage investment capital instead of discourage it. I do not think anyone could stand here and say that the Canadian government has been encouraging investment capital. If we could encourage investment capital and if we could encourage the export of commodities, it would be a step in the right direction. We in Alberta are aware of the fact that approximately \$2 billion worth of sales in natural gas could be made to the United States. This kind of a sale could contribute dramatically to the support of the Canadian dollar and we would not have to keep interest rates as high. If we did those things, we would be able to reduce interest rates. We would be able to allow the dollar to float and to find its own level. If we did those things, we could even have a fixed bank rate. Because it is a floating rate, it contributes to the instability of Canada's economic situation.

Why do we lend \$1 billion to foreign countries? What about the \$100 million that was lent to Algeria for the construction of a monument; the \$24 million that was lent to Belize for a sewage system which apparently is sinking into the sea; and

the \$200 million that is being lent to Trinidad and Tobago for an airport? One must wonder about these loans. Foreign aid is up at least 20 per cent this year, but help for employment and immigration is down.

I have listened to the Liberals talk about the economic problems in Canada this afternoon. Quite frankly, I consider them little more than a sanctimonious bunch of windbags. The policies the Liberals have espoused are simply socialist policies, little more. I find it very sad that the New Democratic Party was responsible for putting the Liberals into power. They are partly responsible for the policies that we have now.

Mr. Manly: The people of Canada did it.

Mr. Wright: The New Democratic Party was responsible in no uncertain terms for the policies which the Liberal government has now. I recall about one month ago the Minister of Finance standing in the House saying, "If I did nothing to help unemployment in this country, and if I did nothing to help high interest rates, I would be known as a scoundrel". A scoundrel he is for doing nothing.

We will continue to speak out against the socialist-economic policies of this government that are not working, which we say and which we have said for some time will never work.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have listened with great interest to the debate this afternoon. I will not repeat literally the litany of sadness and figures which have been quoted by any number of speakers here today. Many members have pointed out the unemployment rate and government spending excesses. But those who do not read history are oftentimes doomed to repeat it. I want to talk a little bit about why we are in the situation we are in, and how we got there.

If we go back to the 1950s there are literally hundreds of examples that could be used. I have selected a few that will explain what has happened and why we are in rather tragic and sad circumstances today. We find today aging out of date industrial plants throughout eastern Canada and southern Ontario in particular.

Mr. Baker (Nepean-Carleton): We have an aging government, too.

Mr. Cook: During the 1950s, 1960s and 1970s, the tax policies of this government were such that it did not pay the small company, or the large company for that matter, to carry out research and development, or to replace equipment which in some cases dated from the 1930s, the 1940s, some even from the 1920s. There was no incentive. One could look at the development of almost any Canadian industrial plant for evidence of the situation. A good many have gone out of business because they could not develop or renew their equipment. There was no incentive to do so. The tax policies were such that companies continued to make a dollar and went along on that basis. But we are reaping the whirlwind of that kind of policy today.