

Taxation

I turn from there to the International Harvester Company that looks as if it were on its last legs. How well I remember International Harvester! One of the main growth points of this country is the agricultural community, yet we discover that Massey Ferguson and International Harvester have no demand for their product. Why is the demand down? Is it because we do not require as much? No, it is because people in the farm community cannot afford to carry the high interest rates. They cannot afford to invest in combines, tractors and other farm implements they require because the interest rate charges are just too heavy. Even with subsidies, they are still way beyond what they can reasonably carry on the return they get from the sale of their produce, whatever it may be.

Mr. Darling: Don't forget the reduced write-off.

Mr. Deans: True. There are two industry sectors that are being undermined for the same basic reason, namely, high interest rates.

There has been a dramatic downturn in the glass industry. I met a man who for 28 years had worked in the glass industry. He was standing on his front lawn raking dead grass. He stopped me and said, "Ian, I have never been on unemployment insurance. I do not even know how to apply. One thing I feel confident about is that the company I worked for is not likely to open its doors again". It closed because it could not afford the high interest rates to carry the inventory necessary to be competitive. It was a small company. The interest rates charged today, added to the cost of production, resulted in too high a cost for their product to be competitive. Therefore they closed their doors, and are not likely ever to open again.

I have spoken to retailers. They told me quite frankly that they cannot carry a wide enough range of products in their store to compete with the major department stores. Why? Because of high interest rates. There is no way they can afford to go to the bank, and they must pay for their products up front. They must pay within a very short time whether or not the product is sold. Therefore, they have to borrow money at 20 per cent or more, and that is added to the cost.

There is no internal financing arrangement for them. The indebtedness they have taken on is substantially more than they, looking at their financing position year by year, can afford. Most smaller retailers do not make that much money. They are not in the upper one tenth of the population's earners. Their earnings generally are in the lower half. The reason they are in business for themselves is that they like the independence. However, the cost of independence these days is very high. It is 20 per cent at the bank as well as a loss of revenue they can ill afford, all because of this government's high interest rate policy.

This government comes to me and asks me, as an act of faith, to approve further borrowing. I say, no. I cannot approve further borrowing because I do not have any faith in this government. I cannot remember when last I did, it is so many years ago.

It has always amazed me how the Conservatives can have so much faith in the Liberal government. Since coming here four

years ago, I have wondered why it is that the Tories consistently vote with the government. Here we are, 33 of us, battling daily to hold this government down, and every time a vote comes up in the House of Commons, up stand the Tories alongside the Liberals against the people of Canada. I know you keep notes, Mr. Speaker, and you are aware that between October and February, the Tories and Liberals voted the same way, shoulder to shoulder against Canada, 26 different times.

• (1540)

An hon. Member: They don't like the truth.

Mr. Deans: On the other hand, we in the New Democratic Party, even recognizing that once in a while the government does bring forward an enlightened measure, have supported the government on only 13 occasions during the same period. That is enough to show who gets into bed with whom, enough to show where the soul brothers are.

There is no difference between the Conservatives and the Liberals. Out of 39 times that votes were taken in the House of Commons—votes which in many instances were diametrically opposed to what the people of Canada wanted—the Tories stood up with the Liberals 26 different times. Shame, shame! No wonder your faces are red. No wonder you are embarrassed.

Some hon. Members: Oh, oh!

Mr. Deans: I say to you, Mr. Speaker, that if ever again I should hear a whisper from the Conservative party about an NDP-Liberal coalition—that they should have such nerve—

Some hon. Members: Oh, oh!

Mr. Deans: Would you believe it, the government has been virtually robbing the country of its opportunity to produce for itself? Here we have a government introducing the highest interest rates imaginable. Here we have a government that is following almost exactly the position of the previous minister of finance in the Conservative government, the present finance critic in the Conservative Party, and supporting Gerald Bouey right down the line.

Some hon. Members: Oh, oh!

Mr. Deans: I remember—it is on the record—the minister of finance in the Conservative government saying; "Well, if I were still in government, I would be supporting Gerald Bouey's high interest rate policy." I remember the member for Etobicoke Centre (Mr. Wilson) going to Montreal and saying: "We do think the high interest rate policy of the Minister of Finance really is the appropriate policy to follow."

Lest there be any mistake in anyone's mind, Mr. Speaker, I want to make it quite clear that we do not believe in the high interest rate policy being followed by the Liberal Party in office today, supported at every turn by the Conservative Party in opposition today. We do not believe that that high interest rate policy is in the best interest of Canada. We do not believe it is in the best interest of Canadians as individuals. We believe