

*Economic Conditions*

national deficit and level off federal spending, to restore the private sector to its rightful place in the economic development of the country, to increase the accountability of Crown corporations, to reform our federal system, to ensure a strong and modern Canada and to institute programs and policy reviews in the social and cultural fields to return individuals once again to their predominant positions vis-à-vis the government. The Progressive Conservative government, short-lived as it was, had a fiscal program principally framed to deal with the most urgent economic problems facing the country. Virtually every responsible, informed and objective person who examined the budgetary proposals agreed that by and large they represented a strongly conceived and appropriate program, given the economic circumstances of the country.

As a numbers man I was particularly delighted to see that the budget of the hon. member for St. John's West (Mr. Crosbie) contained for the first time in the history of this country five-year projections on budgetary expenditures. So, the Liberals got their power back, but what did they do?

I think Charles Templeton put it as well as I could. In questioning their actions, he said:

"How can you bring down a government and then bring back virtually all of the things that government was going to bring, except the things that matter. Namely, a cutting down on spending; namely, an increase in the taxes on driving. The very things campaigned against are the things that are done. We have an immorality in this Liberal government and in its leader, that I find just incomprehensible".

That was Charles Templeton speaking on radio in the city of Toronto some months ago.

After ten months with this old group back in power, all the initiatives of the defeated government of the right hon. member for Yellowhead are gone. This team opposite has not yet figured out the principle that excess spending by the government causes inflation. It has not figured out that inflation weakens our currency and that a weak dollar drives up prices and interest rates.

This is the government which has not figured out that a climate of encouragement to business is essential for real growth and that government competition in business is wasteful and costly. I do not want to dwell on this, but we can just look for a moment at what the government has been doing. For instance, the CBC spends \$500 million of taxpayers' money for a service which dozens of other companies are able to provide at a profit after paying many millions of income tax dollars to the government. Now it wants to start another CBC, CBC-2 which they say will only cost \$25 million. We know where estimates of minor expenditures such as those end up.

Look at the CNR. At one time perhaps we needed a company like that to bring the bankrupt railways in Canada together, but that was 50 or more years ago. Now they are competing in the private sector with various other companies. Why does the CNR need to own hotels? There are lots of good hotels owned by various Canadians and other people providing good hotel service in Canada. Why does the CNR have 29 subsidiaries in the trucking business? I think that was the last

count. There are many privately-owned trucking operations in Canada.

Look at what the government has done with the Export Development Corporation. Its biggest claim to fame seems to be that it finances pulp mills in Poland and the United States of America so that they can compete with Canadian pulp producers.

Look at Air Canada. It is a Crown corporation which competes with another Crown department that may be a Crown corporation soon, the Post Office. Air Canada has now developed services such as Airvelope and Couriair to provide a service which used to be available through the Post Office.

● (1230)

Speaking of the Post Office, this group over there thinks that by incorporating the Post Office they will eliminate or erase its deficit. Well, Mr. Speaker, this is the same group which has spent over a billion dollars of taxpayers' money on Petro-Canada, trying to say they were going to increase the supply of oil in Canada. Mr. Speaker, the private sector never had any trouble finding oil. For a long time it looked as though Petro-Canada would never find any oil. They have found some now and it looks as if they are on the track of producing some oil. But do we need to spend that billion dollars of taxpayers' money to find oil which the private sector was going to find anyway? I think not. Of course, they decided that the private sector needs a little help in other places so they will prop up Chrysler Corporation, and maybe Massey-Ferguson. In my area there are a number of businessmen who wonder when they will receive a little propping-up from the government. With the interest rate policy which the government has been following recently, thousands upon thousands of small Canadian businesses will be going bankrupt. Will they get propped up by the government? The government say it has to save jobs in the big companies. Well, we have been telling them time and time again that the small business sector provides the lion's share of jobs in Canada. Yet I am afraid there is no aid for small business.

Interest rates are high. That is why we are here. That was the argument used in putting the motion which we are debating. Of course, interest rates are high. But this government has not yet found the principle of there being a relationship between high inflation and high interest rates. It is no secret; even the hon. member for Sarnia (Mr. Cullen) knows that high inflation equals high interest rates. The government should know that. We have told them often enough. They say they must keep interest rates high because of the flight of capital. Of course, the flight of capital will occur if interest rates are higher somewhere else. So they have to keep our interest rates up on an international level. The international investment community naturally follows interest rates and certainly those funds would flow, to other jurisdictions. That is the reason we have had trouble with our Canadian dollar in the last few days.

Mr. Speaker, do they not realize that small investors in Canada also have a problem with high interest rates, and do