

profound difference exists, and you can take your choice of alternatives. As oversimplified in this brief space, the Liberal party stands for bold governmental intervention throughout the economy. The Conservatives stand for less intervention. Liberals rely on the wisdom and benevolence of the State, Conservatives on the justice of the market." That is the case.

The Liberal-NDP party, or the Liberal Party and the Liberal party west believe in massive state intervention. They advocate spending more taxes, borrowing more money, spending more money and wasting more money while they refuse to deal with the hard realities that if you are going to spend the money you must first earn it. If you are going to build the country you have to put the money into the ground. The equity investment must exist and entrepreneurship must be encouraged in order to make it grow.

**Mr. Riis:** Who says that?

**Mr. Blenkarn:** All that the hon. member has to do is to read some of the speeches he and his colleagues have made to see where they stand in terms of state intervention.

I have asked where this country is headed. I would like to suggest where we should head. First, we will never progress if we keep the November 12 budget. Even the Minister of Finance has stated that the budget is inappropriate because of changing conditions. The budget is not working because it did not address the problem. The minister admitted that fact during committee hearings. Indeed, the Minister of State for Finance (Mr. Bussières) admitted that in the House this afternoon. Therefore, why does the minister not withdraw the budget? The government should get rid of the budget and the uncertainty it has caused Canadians and return to the drawing board.

The National Energy Program was introduced in November of 1980. It was said by members on this side to be a disaster from the day it was produced. When we first criticized it the government said that we were out to protect the big multinational oil companies. Those companies are doing quite well. It is the average Canadian oil company which is in difficulty. One can find evidence of this by simply looking at the marketplace to see what companies are in trouble. It is the Canadian oil companies. They are in trouble because the National Energy Program prevented them from raising the necessary equity on the world market to build their companies. It has prevented them from issuing shares in New York, Tokyo and London. You could not find enough investors in the world to risk capital for drilling in the Beaufort Sea or off the coast at Hibernia. In Canada alone, who would risk that money? Although many Canadians may risk their money, others are needed to help them take that risk. These are high risk ventures, and the Canadian oil companies require high risk money. However, what did the National Energy Program do? It made it impossible for those companies to acquire the high risk capital and it got them involved deeply in high interest loans instead. That is why they are in trouble. Indeed, the industry is in trouble when one ends up with a situation as discriminatory as the NEP and when there are back-in provisions and the like which affect Canada lands. No one will

invest in a situation where the view from the marketplace is that the government is likely to expropriate one's assets virtually without compensation.

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We need a program of tax allowances. We need a program of encouragement. We need a program which will give people who will invest a chance to make a real buck. We must encourage the person who is prepared to gamble on Canada. There are such people out there, but one will not encourage that kind of investment as long as there is a capital gains tax, as long as there is a situation with respect to pension funds or RRSPs where there is no way in which the capital gain made behind those funds can be treated as a capital gain in the hands of the investor when he eventually takes the money out of the fund. The whole pension system we have in our country, with the investments behind pension funds, is designed to promote interest for a debt investment as opposed to equity investment. Until we are prepared to change some of our basic tax laws to make equity investment more profitable, we will not get that kind of investment.

I see that the hon. member for Ottawa Centre (Mr. Evans) agrees with me. I am glad to hear that. I hope that when he is speaking with his colleagues he will be able to do something about changing the priorities here to get some equity investment and provide some opportunity for people to build the country and take the risk.

**Mr. Wilson:** Where was he last year?

**Mr. Blenkarn:** My friend, the hon. member for Etobicoke Centre asks, where was he last fall? If I recall, he was out defending the budget.

In any event, we need another thing, and that is, a sound money policy. Now, my friends to the left would probably have us print money, or would like to see some control situations; perhaps foreign exchange controls. Their leader spoke about foreign exchange controls. Perhaps they would like to nationalize the banks. What we need is a sound money policy, but one which will ensure that there is enough credit in the system to finance the transactions in the system. I say to Your Honour that it is impossible to control inflation satisfactorily by simply reducing the money supply. One must continue to have enough money in the system; otherwise, the system itself comes to a grinding halt. Over the past year and a half, in order to protect the exchange rates, the operations of a bank have been such as to keep the supply of money unrealistically low. I say that in an effort to protect exchange rates, that was the wrong move. What we need is some sense in our money supply, not to print money crazily but to ensure that there is at least enough money available to satisfy the credit needs of the country.

What we need is a program to assure those who invest in Canada and who consider what is going on in Canada that the federal deficit will be reduced and changed to a surplus position over a five-year period, and that we will not continually borrow against our children's future. We have received no