

Canadian Economy

big cars. That might compel us to force the large companies to produce small cars here in Canada. I am not talking about bringing Japanese cars over. I am saying we should get them here in pieces, that we should contribute some of the pieces and build the cars here. If we reduced imports and increased exports, we would benefit.

I think this government is very frightened of its tenuous political power, so it has gone far beyond the wildest dreams of the New Democratic Party. A certain speech made by the Leader of the New Democratic Party (Mr. Broadbent) back in 1978, when compared with some of the programs being implemented by the Liberal government, can now be seen to have been very conservative, and that is quite a compliment I pay. I am sorry members of the New Democratic Party are not here to hear it.

The New Democratic Party is open. Its members believe in socialism through evolution. I think the Liberal goal is socialism, but that party would rather do it through revolution. They are in a hurry. They want to get it done right away. They cannot wait ten years. They will bring in socialism in any way they can. They will pass any legislation necessary. They will do anything in their power to change this country from a non-socialist nation to a socialist nation. We are getting down to the bottom of the list of non-socialist countries, but the question now is who is going to slip off the list first? France may slip to the position of the country with the worst economy and replace Canada. That would be something, but the trouble is that France might slip right off the list too. We may go off together three points apart, 22 per cent to 19 per cent. In light of the new situation in France there might be tremendous competition to see who can nationalize the most the fastest. Will we win or will France? We will see who gets the real lead. Any entrepreneur in this country should beware. Entrepreneurs should watch out. Small businessmen should watch out. This group opposite may come and take them over too. This government may do that under the guise of Crown corporations, but eventually they will take businesses right in and work them over so that there will not be so many people to cut through.

With this government we are not getting any further ahead. We are getting further behind all the time. It is interesting that south of the border government spending increases will be cut by two thirds, but each year in this country our expenditures keep going up. The Americans are going to cut their taxes, and still, in spite of our indexation, they will have a better tax situation than we have here in Canada. The U.S. administration will encourage entrepreneurs. Unlike our government or the French government, the U.S. government will encourage entrepreneurs to get going and to make the country work. That has brought a spirit of encouragement back to the United States. There is a spirit of "Let's go, guys, we have a great country and we can do it". That is what this government should be doing here in Canada.

Some hon. Members: Hear, hear!

Mr. Fennell: The American administration will increase industrial tax incentives. That will make that country work.

Let us compare the U.S. energy program with ours. It is like day and night, or capitalism and socialism. There are no similarities at all.

We have heard much talk about the Minister of Finance (Mr. MacEachen) being chosen chairman of an IMF committee. My colleague, the hon. member for York-Peel (Mr. Stevens), mentioned that the minister probably got the job because he is the biggest spender. Last fall I had the opportunity to go to the United Nations. I was not there very long. I was there only a week, but I learned how appointments are made in international circles. The test is, "Who can do the most for me," and "That is the person who will get the vote". Obviously, those who voted are expecting a giveaway from Canada or some feathering of their nests. I can tell hon. members one thing, and that is that they can bet their bottom dollar that they can talk about the minister from Britain, but there is no way that bunch who voted in the Minister of Finance of Canada would have voted for Donald Regan.

• (1510)

I made a statement in January of this year that we hit the peak, or I hoped we had hit the peak but I do not know if we will ever come to that point. It is interesting that as our interest rates go up, so do our taxes. They compensate for indexation, they keep on grabbing more money somewhere else. They may as well never have indexed the income tax because they are going to get it somewhere else, they are going to skin the Canadian public one way or another.

There was a 4 per cent increase in income taxes in Ontario, but that has pushed up the average person's income tax by only 1.72 per cent. Then the Government of Canada comes along and puts 4 per cent on top, that makes an increase of 5.88 per cent and that hurts. That increase in tax of almost 6 per cent is on top of an inflation rate of 12 per cent. I do not know how the poor guys working nine to five in General Motors, where I have many constituents, are going to manage. I do not knock those guys because they may be making a big buck in 1970 dollars, but they are not making very much in today's dollars. It has been a sort of set-up by this government to grab all the money they can, grab every little piece of the pie. The other governments in this country have used this as an example and have said: "Hey, guys, there is where our bucks are so let's go." The municipalities keep jumping in for more money, as do the provinces and the regions. The province of Ontario could not get its hand out of our pockets; they had to get some of those petro-bucks.

They are all grabbing for more, so the people of this country are looking to this government to set a standard, which it is not doing. It is the biggest tax grab I have ever seen and probably the biggest ever witnessed in this country. It is an interesting thing that large corporations do their borrowing on a fiscal basis so that when interest rates go up, they just delay their borrowing, they get a little bit more bank financing. Governments do the same thing. High interest rates do not really hurt