

Bankruptcy

Canadians almost \$12.5 billion each year to service this debt. How can small, or large for that matter, businesses or individual consumers be expected to practise sound financial theories when they have no example to follow or learn from? The Grits certainly cannot provide this example, Mr. Speaker.

Another reason small business and consumers alike are suffering these difficult times is the Liberal government's stubborn approach on the constitutional issue. Month after month passed while important economic legislation waited on the sidelines. The Prime Minister (Mr. Trudeau) it seems, would rather see thousands of businessmen go down the tubes rather than have his Constitution delayed. Meanwhile Canadians are suffering and the figures blatantly uncover the government's failure.

As I explained earlier, the National Energy Program has placed unbearable pressure on the private sector. Not only has the government broken promises in respect of energy prices, which for many people demolished their budget projections, it is extending this deplorable position by its failure to come to a resolve with Alberta over energy pricing. Consumers must pay as much as 50 cents more per gallon of gasoline, as one example. I do not think we have seen the end of the increase in the cost of gasoline. A recent article in *The Globe and Mail* states:

Despite the continuing impasse between the federal and Alberta governments over the appropriate price for Canadian crude oil, the price of gasoline in the Toronto area is soaring at more than double the rate of general inflation.

A survey of more than 80 stations in and around Metro Toronto last week showed that the cost of an imperial gallon of gasoline has gone up between 50 and 60 cents a gallon in the last two years—

We were told during the last election that gasoline would not increase over 18 cents a gallon. The government placed us in this ridiculous position by not reaching an agreement with the Alberta government which wants approximately \$35 a barrel. The situation is the same in respect of Saskatchewan. This government would sooner pay \$45 to \$50 a barrel to OPEC countries than reach an agreement with the provinces.

Imagine if we were paying that \$35 to Alberta and Saskatchewan instead of sending \$45 to \$50 a barrel out of the country. I suggest we would have an economic boom in this country like you have never seen in your life. All these rigs and businesses would be staying in Canada; they would not be closing down.

Just to give the taxpayers a little idea of what this Liberal policy of importing oil from Mexico and the OPEC countries is costing, I would point out it is costing \$500,000 an hour. We should be trying to reduce that figure. We are not going to reduce it, we are going to increase it, and I will give you the figures in that regard in a few minutes. If we were paying the \$35 per barrel here in Canada, we would be using our own oil and much of that money could be used for research and development in respect of alternate sources of fuel. Many businesses, especially in the oil industry, and I am talking about Canadian firms—I do not want anybody to get the impression I am talking about multinationals—simply cannot afford to run machines, heat their warehouses or even drive to work. Alberta, for example, has suffered a 30 per cent drop in

its service sector as a result of the NEP. No doubt some of this has gone to the United States where economic conditions are more favourable. I would say most of it has gone there, but much of this loss is a result of bankruptcy, as I mentioned earlier.

● (1610)

Now on top of all this, businesses and consumers are being forced to cope with record high interest rates which, since the Grits took power in 1980, have gone up over 6 per cent to almost 19 per cent, or over 20 per cent for normal borrowers. The home owners, small businesses and consumers must all bear the brunt of these outlandish interest rates. Many, however, have only one alternative to paying high interest rates: declaring bankruptcy. To date there is no end in sight to this trend.

I want to point out, Mr. Speaker, when the Conservative party was in government we were the only people that took any action to deal with the interest rate problem, and I have to listen to the hypocrites, the NDP, who have the nerve to stand up here talking about interest rates. We appointed an all-party committee as our first act of business to deal with the interest rate problem and it was making some headway, witnesses were to be called in, but the committee was not allowed to complete its work because we were defeated by a facetious motion put forward by the NDP that nothing was being done about interest rates. We have asked for this committee to be re-established so that it could come up with some answers and do something about this interest rate problem, but the government refused to reappoint that committee or even have anything to do with the excellent work it did over three or four months.

Now each and every day new obstacles get in the way of the normal activities of business and consumers. When we were in power, we introduced the small business development bond. This was finally passed on February 26, 1981 after several months of delay. This scheme was devised to help small businesses deal with higher interest rates and is, as a spokesman for the Canadian Federation of Independent Business said, a lifesaver. A Royal Bank spokesman said the delay and start-stop scenario which unfolded after the Liberals came back caused some headaches for both businesses and financial institutions.

Just let me give another example to the Canadian people about the ridiculous policies of the Liberals relying mostly on imported oil. They made a deal with the Mexican government where we pay approximately \$50 a barrel for their oil. They would sooner send \$50 a barrel down there than keep \$35 in Canada.

Mr. Huntington: They cannot even use or sell the oil.

Mr. McKenzie: That is right. My colleague, the hon. member for Capilano (Mr. Huntington) says we cannot even use the oil, and that is correct. You have to cut the oil out of the barrel with a chainsaw and then it has to be run through a Cuisinart and forced out of the barrel, and we are paying \$50