

*Economic Conditions*

**Mr. Peter Lang (Kitchener):** Mr. Speaker, the first thing I want to say is that contrary to what the member opposite feels, the last thing this country needs is an election.

**Mr. Kilgour:** You wouldn't win your seat!

**Mr. Lang:** The member opposite says I would not win my seat. The latest Gallup polls indicate that the Liberal party has 45 per cent support, about the same as they had during the last election, the Conservative party 31 per cent and the NDP 22 per cent. That was in November.

To get to the more important topic of interest rates inflation and the economy, as I said, it is now 6.30 and I have listened to the debate for ten and a half hours. I want first to present a general scenario of what I have been hearing and then deal with some of the specifics in the debate.

Most members are well aware that the dramatic events which have occurred in the OPEC cartel have had a major influence on inflation in this country and on our interest rates. At the same time, most members are aware that the branch plant economy we have in Canada makes it difficult for us to say we will lower our interest rates. We need investment in Canada. We need to make sure we can develop our own Canadian economy.

The Liberal government with its budget and its national energy program is doing this at the present time. It has taken a dramatic step toward Canadianizing the energy industry, which means taking control of the major part of our industry. Energy is the lifeblood of Canadian industry at the present time. As well, we are strengthening FIRA to try to bring back our economy so that we can deal with problems such as inflation and interest rates in a more constructive way than being subject to the influences of the United States or the oil cartel.

Some members of the opposition have made constructive suggestions over the past ten and a half hours. Looking at my notes, I am reminded that the hon. member for Portage-Marquette (Mr. Mayer) made some positive points regarding Wheat Board pricing. They are not suggestions I would agree with, but they were given in a constructive manner and that type of constructive suggestion is important. Others, such as the hon. member for Broadview-Greenwood (Mr. Rae) made constructive suggestions.

In this kind of debate we sometimes hear of new, viable solutions which may be better than the ones we have. I have not heard of better solutions to short-term or long-term interest rates in the ten and a half hours I have been here than what the Liberal government is doing right now.

For the long term, our government is taking the approach of getting control of our economy so that we are not subject to importing inflation. In the short term, we are taking a monetary approach which moderates the peaks of inflation so that we are four or five points below the inflation rate of the United States. So at the same time, we have to walk a tightrope in order not to lose too much investment from the United States

and other countries and keep economic growth in our economy.

Although I believe the government has taken an economically realistic approach to our problems and although there have been some positive suggestions from the opposition, I am concerned about other members of the opposition who have raised a doom and gloom scenario. I am concerned about this because it not only creates uncertainty in the business world, but for people in the labour force and those on fixed incomes who rely on government programs. In fact, it creates uncertainty for all Canadians and this kind of uncertainty is not helpful to the Canadian people or Canadian economy.

**Mr. Baker (Nepean-Carleton):** Mr. Speaker, I wonder whether the hon. member would accept a question.

**Mr. Lang:** If the House leader for the Conservative party has some uncertainty or confusion which he indicates by wanting to ask a question, I hope the confusion will be cleared up during my speech and discourse. If not, he may read the remarks of myself and other Liberal speakers tomorrow in order to enlighten himself. If he cannot do that, I will be happy to answer any questions if he will give me a call at my office. I will be in my office by nine o'clock this morning. I have a squash game in an hour and a half.

As I was saying, the doom and gloom scenario concerns me because of the climate of uncertainty it creates. When the Leader of the Opposition (Mr. Clark) made the point in his speech last night that the energy minister for Saudi Arabia had been talking about the possibility of the price of a barrel of oil going to \$80 he implied that this was somehow related to Liberal government policy. That is precisely the reason this government is not tying its energy policy to world prices, or its pricing policy to world prices. We know that for every \$1 increase in the price of a barrel of oil we would increase our inflation by .5 per cent. If we had gone along with the Conservative budget and linked our oil prices to world prices then the \$80 per barrel scenario would have been even worse, and that would be under the budget of the Leader of the Opposition. I fail to see his point in that regard, other than to create uncertainty and a scenario of doom and gloom.

● (0640)

The Leader of the Opposition also made a point regarding his concern for the poor and the unemployed, yet he would have tied us to the OPEC cartel and we would have reached 75 per cent of the world price of oil by 1984. We all know the effect this would have, not only on inflation and interest rates, but on the unemployed and the poor.

The Leader of the Opposition also made some points about the rubber industry. He indicated that the problems of the rubber industry in the area in which I live, in Kitchener, are the result of high prices for oil, although his budget would have created higher prices for oil. If the Leader of the Opposition, who spent two days in Kitchener, had spent more time listening to the concerns of the people of Kitchener, and more time understanding their position, rather than politicking and