

*The Budget—Mr. Holtmann*

the Conservative Party and founder of the nation of Canada, when he said on March 7, 1878, in this House:

There are national considerations, Mr. Speaker, that rise far higher than the mere accumulation of wealth, than the mere question of trade advantage; there is prestige, national status, national dominion,—and no great nation has ever risen whose policy was free-trade.

• (1730)

John A. Macdonald probably sat in the area where the Hon. Member sits now. Does the Member agree with Sir John A. Macdonald's comment? How does he explain the outflow of \$10 million of investment from Canada over the last two years?

**Mr. Holtmann:** Mr. Speaker, I will tackle the latter question of the Hon. Member for Kamloops—Shuswap (Mr. Riis) first. The Member said that a country will never prosper by entering into free trade. I believe the Member may misunderstand what free trade is. The countries in the EEC to which the Member referred have some social elements to them. They seem to prosper quite well in the unified trade agreement which they set forward. It would certainly not be a negative force for Canada to do something similar with our neighbour to the south in terms of our ability to manufacture, export and import, because trade is exactly that, a two-way flow.

I am sure that during his time Sir John A. Macdonald was a very capable person. However, I am sure that the parameters which affect world trade today are different from those that existed during his era. I will not dispute that in his era he was correct. That is pretty difficult for me to say.

With regard to inflow and outflow, the fact that corporate money has been flowing out of this country demonstrates that our corporations want to perform internationally. There is nothing wrong with corporations going afield. Americans have come to Canada and built up such corporations as General Motors. I think it is very healthy for Canadian corporations to expand their businesses elsewhere as well.

You cannot have it both ways. You cannot have money flowing in, which it does, and have none flow out. What kind of an imaginary attitude is that? Based on the premise of his questions, the Member would want no funds to leave Canada but would want everyone with an investment dollar to invest it here. European companies have invested in Canada and now Canada has the opportunity to reciprocate. I think that is a healthy attitude. We would like more of our money to stay here, but it is proper to spend money in Third World nations which are trading here. Canadian companies have great expertise which should be exploited elsewhere.

**Mr. Redway:** Mr. Speaker, I was interested in the Hon. Member's comments relating to the Budget. I would like to compliment and commend him on his very worthy and wise comments in that regard. I have also been listening to the comments and criticisms of the opposition Parties, particularly the NDP, with respect to the Budget and government expenditures. Opposition Members have said specifically that the

Government, in cutting expenditures, has cut out things which are important to ordinary Canadians. I am sure the Hon. Member noticed, as I did, in the spending estimates for this year that the spending for old age security, guaranteed income supplement and spouses' allowance will be increasing by over \$900 million in the coming fiscal year. There will be almost a \$1 billion increase in the Government's spending on behalf of senior citizens.

Would the Hon. Member give us his views on how this ties in with the criticism of the Opposition? How can the Opposition seriously say that the Government is not spending more money on senior citizens and those who truly need more assistance in our society?

**Mr. Holtmann:** Mr. Speaker, I would be very happy to respond to that. Through many of their statements opposition Members would have us believe that the Government has no interest in the seniors of the country, that the Government would cut back on seniors in many areas. I must admit that we attempted to do such a thing and found that we were in error. We made no bones about the fact that it would have been a mistake to have proceeded with the deindexing of the old age pension. We decided not to proceed with that and since then have maintained the high road. Since then we have continued to do more to help those who built this country.

No government can tax away a deficit. We have to be better money managers. We have to cut out the spending of federal funds in areas where it is very wasteful. There are still many areas in the Government where money is being wasted. We have to cut back in those areas in order to help those who need help.

With regard to day care we must be very careful to ensure that the assistance goes only to those who need it. We must take that route in order to be good money managers. The Government cannot continue to spend more money than it takes in. That cannot continue because eventually the dollar will be totally devalued. Some day there has to be a balanced Budget. I believe that even the Opposition agrees with this. I believe that had the Liberal Party stayed in power, although it would have been devastating, it would have stopped spending money. I really believe that.

We are now spending 33 cents of every dollar to pay the interest on the debt. That would increase to 50 cents of every dollar as the debt escalates. When we have to pay 90 cents of every dollar, what kind of service can we provide? That is the danger we have to avoid. We were elected for good money management skills. Although there are ups and downs, if we can avoid bad errors we will be able to keep the economy on the good and healthy track which it is on today.

**Mr. Attewell:** Mr. Speaker, I, too, would like to compliment the Member for Selkirk—Interlake (Mr. Holtmann) on his comments. I appreciated the way in which he outlined the track record of the Leader of the Official Opposition (Mr. Turner). It is a terrible record of deficit after deficit, be it good years or bad. I did not mean to correct the Hon. Member when