

The only way out of the dilemma is to set in motion mechanisms whereby our industry, our small and medium-sized businesses—I am not forgetting our large industries, but mention small and medium-sized ones because they are of particular concern to me—can upgrade plant and equipment and acquire modern technology. Our companies must be allowed to accumulate funds with which to undertake the development of industrial projects in Canada. If we do this we shall take a giant step forward in providing employment. But before this can be done we must restore confidence in our economy. People must be confident that our economy is going forward.

I suppose that what I am saying the Minister of Finance has heard many times; nevertheless it bears repeating that we must control government spending and control expansion of the money supply. Normally when one mentions the control of the money supply one is perceived as talking of a tight money policy. But curtailing the money supply need not result in a tight money policy. We can increase the velocity of money in circulation, but only if we restore confidence in the government and in the economy—in other words only if people are confident that we are going to move ahead economically.

We have on deposit in this country vast amounts of money in savings accounts. Many of our small and medium-sized businesses have retained undistributed, surplus moneys. Many businesses would like to invest such money in energy projects, for example, but our present taxation rules make it impossible to do this to advantage. We have within our company accounts and savings accounts vast sums of money for doing those things I suggest must be done, but they will only be done if people regain confidence in the economy and the government were to be forward looking and say, "In three or four years we shall work toward a balanced budget and control the money supply; the money supply will not increase at a rate greater than the growth in the Gross National Product." If the government were to do this, confidence in the economy would be restored and money available for investment released.

I have spoken at length in an attempt to convey my point of view. I do not like to be emotional in debate; I try to be constructive, not destructive, and like to feel I am making a useful contribution to the deliberations of this House. I hope that those opposite who must wrestle with these matters will take my remarks into consideration when new legislation is put forward.

● (2050)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are debating Bill C-19 which gives legal authority to the Government of Canada to restrain government expenditures. It is the wrong program at the wrong time, being implemented in the wrong way.

Yesterday an election took place in the province of Quebec. It may have been the most important provincial election ever to take place in Canada. I do not believe that any of us can assess the consequences of that election at this time. I am, as are all members of the party to which I belong, a believer in

Restraint of Government Expenditures

one Canada. I cannot willingly accept the idea that one province, be it Quebec or any other province, should want to separate from the rest of Canada.

Many polls were taken in the weeks preceding yesterday's election in Quebec. Those polls were right on in predicting the percentage of the votes which one party, the Parti Québécois, would get, 40 per cent. But that was not the only poll. People were also asked what they thought of the idea of a separate state of Quebec. The results which were published were very interesting. They showed that less than 20 per cent of the people in Quebec desire a separate state.

I have to ask myself, as should the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Macdonald), and the rest of the government, if 20 per cent of the people of Quebec want a separate state, why did 40 per cent vote for the Parti Québécois? The reasons are obvious.

First, they had a very corrupt government. One need only look at the history of the Olympics. The federal government was involved because it helped finance the Olympics. There was one illustration after another of corruption and thievery. The people of Quebec, and quite properly so, saw that they could not get anything else from that Quebec Liberal government. The people of Quebec were tired of the large scale unemployment which they had, unemployment foisted upon them by a provincial Liberal government and a federal Liberal government.

Today questions were directed to the Prime Minister and the Minister of Finance. They were asked whether in light of yesterday's election and in light of the unemployment situation right across the country they were giving fresh consideration to job creation programs. We got the same answer we have been getting since October, 1975, that inflation is more important than unemployment.

Years ago we protested about the waste created by unemployment. We protested about the misery and poverty it created. We were told it was not a serious question. That was in 1973 when, under the former minister of Finance, Mr. Turner, unemployment was 6 per cent. What do we see now? I wish to quote from the November 10, 1976, edition of the *Globe and Mail*:

The unemployment rate for October hit 7.6 per cent, the highest seasonally adjusted rate since an equivalent figure in May, 1961, Statistics Canada reports . . .

This year's previous highest jobless rate was 7.4 per cent last April . . .

The government agency said all provinces, with the exception of British Columbia, Newfoundland and Alberta showed increases in their unemployment rates . . .

For men aged 15 to 24 the jobless rate rose by two percentage points to 13.3 per cent while for men 25 and older the rate climbed by 0.6 of a point to 4.9 per cent.

Let us look at the provincial figures. In Quebec, which has the highest number of unemployed of any province, some 234,000, the rate is 10.1 per cent, up from the previous 9.7 per cent. In my province of Manitoba the rate rose to 4.9 per cent. In Saskatchewan it jumped to 4.2 per cent, and in Alberta remained steady at 3.7 per cent. The prairie figures do not include the very large percentage of 70 to 90 per cent of native