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Allen Marchement, head of The Trust Companies Association, said that a number of industries are in such a perilous position that they might not last another six months if interest rates continue at the levels we have today. We must act now. That is what we are calling on the Minister of Finance to do. We are not saying that we are going to get immediate results overnight. He knows that, we know that. But action would follow quickly if the people of this country felt that there was a plan of action or an understanding of the problems which the country is facing. What is required is a plan of action to stem the crisis of confidence and remove this sense of floundering which we see in Ottawa on the part of the Minister of Finance and the Prime Minister (Mr. Trudeau) of not knowing what to do. In addition, we have to strengthen the Canadian dollar and take pressure off interest rates. We have to have an action plan today that will lay the base for a long-term recovery program.

Last year the Minister of Finance said that economic renewal was one of the primary objectives of his budget. He seems to be approaching economic renewal in the same way that we approach urban renewal in this country. We wipe out the neighbourhood. We flatten the neighbourhood to the ground and then bring in programs of economic renewal, as is done with urban renewal. That is not the way to build this country. We will lose so much long-term productive capacity if we continue in the direction in which we are moving today.

I listened to the minister today as I have listened to him on other days when he has said that the problems are not his fault, that these things are outside of his control. He is right to some extent. The problems were started back in 1972, 1973 and 1974 when John Turner was minister of finance of the country. Government spending rose 108 per cent during Mr. Turner's three-and-a-half year term of office. That is when monetary policy went completely out of control. That is when it all started.

That style was continued by Donald Macdonald and the Minister of Justice (Mr. Chrétien). We had a reprieve when the hon. member for St. John's West (Mr. Crosbie) was Minister of Finance. We had a change in the direction of government policy in this country and better management. We had a more competent degree of management in controlling the way government tax dollars were spent in this country.

Yes, the world economy and the high interest rates in the United States are part of our problem. We recognize those things. We do not deny them. Having said that, the minister cannot wring his hands and say there is nothing that we can do about our problems, that there is nothing we can do to convince President Reagan to change his policies. We have to deal with the realities of today. We have to accept the fact that there are not these quick and easy solutions which the minister says are the only way. There are other ways of dealing with the problems.

● (1650)

We cannot continue to spend our time casting the blame on people in other countries. We must deal with the realities of today, the problems and the policies at hand which are causing the problems in Canada. When we hear the Minister of

Finance talking this way, is it any wonder that the confidence level of businessmen in the country has dropped from 58 per cent in 1979, when the Right Hon. Leader of the Opposition (Mr. Clark) was the Prime Minister, to 10 per cent today? One businessman in ten has confidence that the government knows what is going on. This is why we have to have action.

The forthcoming financial statement or the mini-budget which we are urging the minister to bring down immediately is the most important economic statement or the most important thing which he will be doing during his term of office. If it does not do the job, if it does not rekindle the air of confidence in the country which we must have to get the economy moving, then the measures which will have to be taken in the fall in the full budget will be much more Draconian, much more difficult and much more hard for Canadians to accept.

I want to dwell on the most immediate problem which the country is facing today—the Canadian dollar. The Canadian dollar is a reflection of high interest rates, lay-offs and high unemployment in the country today. If we can turn around that problem, then we can make some real inroads toward solving the problems of inflation, unemployment and high interest rates. This is the number one goal which the minister must address today. There are other problems down the road which he will have to address, but that is the first job or the first thing he must do.

The outflow of capital which is at the heart of the weak position of the Canadian dollar must be stopped. It is an open wound today and the minister is doing nothing about it. Let me talk about the reasons for this; the Leader of the Opposition referred to some of them. I should like to touch on them in somewhat more detail. Last year we had \$10.2 billion worth of direct capital flowing out of the country. It was five times the level of the previous two years. Unidentified outflows of capital, such as items that were too small for the statistics people to pick up, represented an outflow of \$8.4 billion or four times the level of the previous year. The total is \$18.6 billion or an outflow 4.5 times the outflow during the previous two years.

The result is that it has greased the slide of the Canadian dollar on which we are right now. It is causing high interest rates, as the Bank of Canada is told by the minister to respond with high interest rates to stop the slide of the Canadian dollar. Most important, the key problem which we are facing in the country today, unemployment, is made far worse because the job creation toward which that money could be directed in this country is now directed toward job creation in the United States, Germany, Belgium, Australia and other countries. If that money were invested in Canada, it would have created 190,000 jobs. That is equivalent to 1.5 times an Alsands project or about 1.5 times the amount of money spent coast to coast in housing. I urge the House leader of the New Democratic Party to pay attention to that figure. This is how we could solve the unemployment problem about which he keeps muttering in reference to the housing industry.

I heard the minister today use the spurious argument that we have had a capital inflow and that we have not had a