

—if government will provide the right climate, manufacturing industry can invest between \$150 billion and \$200 billion in larger and more productive plants this decade.

The pertinent words here are “if government will provide the right climate”. Most people do not expect that this government will provide the right climate. The budget of December 11 did provide the right climate, a climate for people to invest with confidence that they were going to get a return on their money, that they were going to be able to employ more people and that we were freeing up the private sector to some degree so that they could get on with the job of doing what they know best—removing the dead hand of the government.

That is not the attitude this government has been known for in the past, and it does not sound as if it is going to be in the future, so is the government going to provide the right climate? What climate are they going to provide for our manufacturing industry? We can only know that when we have a budget. That is the only time we are going to know that. We are not going to know by giving the government the right to borrow another \$12 billion.

Here is the C.D. Howe Research Institute again making a report. This is May 2 in *The Globe and Mail* again.

Canada will not begin to solve its inflation problem until the federal government's deficit is reduced, according to Carl Beigie—

Mr. Beigie, again, is the president of the C.D. Howe Research Institute.

In Canada surplus demand originates primarily in the government sector through budgetary deficits.

And so on. I will not read it all into the record, but it is true. It is correct. Mr. Beigie and I believe that the federal deficit is the key to inflation. Is this government going to do anything about inflation? Are we going to feel safe to save money or not? Is it going to become too dangerous for people in this country to save money because the government does not care about inflation or it will not fight inflation or will not take the painful steps that are necessary to fight inflation? This government has now got a safe majority for the next four or five years. It does not take any courage to fight inflation when you have a safe majority.

● (1600)

We made the decision that we were going to fight it when we did not have a majority. I suppose that in political terms that was a mistake, but the government now has a majority. When is it going to indicate to the people of this country, to the people who have some money to save, to the people whose money is needed to be invested in this country, whether or not it is safe for them to save it, or should they all shoot outdoors today and spend it before it loses even more of its value? That is the main question.

The bill which we passed in the House yesterday giving \$35 per household to help those who receive a guaranteed income supplement to the old age pension is a picayune measure. That \$35 might help them temporarily, but what helps the old age pensioner, the older person and those on fixed incomes is not that kind of small token, a handout from the government, or

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whatever it is, an attempt to give them security. The only security they will have is if we overcome inflation so that their cost of living will not go up by 10 per cent, 12 per cent or 15 per cent every year. We must ensure that this country does not go bust, that we do not wreck the economy. The only security anyone has in this country is if we operate the economy properly and we produce more so there is more to divide among us all and we give more to the senior citizens and the rest.

A party that is not interested in the fight against inflation, that will not battle inflation, is not interested in the older people, the senior citizens, is not interested in the dispossessed, is not interested in those who do not have strong organizations to protect them. The people of Canada want to know: is this government going to fight inflation? Because we have no indication whether or not they are. The minister's statement of April 21 indicates they are not. He is satisfied with a deficit of \$14 billion.

The United States, whose interest rates and everything else the minister is following, are going the other way; they will have a small surplus next year in their budget. If they adopted the same policies we have and followed us—our deficit is \$14 billion—they would have a deficit ten times that size amounting to \$140 billion, yet they are going to balance their budget next year to try to fight inflation.

What is this government going to do? It is not telling us. All we have had is this pitiful excuse, this document which was presented to us on April 21 which we were not allowed to debate.

As I mentioned a few moments ago, we have a Prime Minister who thinks we have a healthy economy. Well, we should have the world's healthiest economy. We have the possibilities for a healthy economy, but we have an economy which has been badly mismanaged for the last ten years at least. For nine months we made a beginning in trying to get it back again to a healthy state. Now we do not know whether this government will follow that direction or go on to complete the dismantling of our economy which they proceeded to do from 1972 to 1979.

I believe that the Prime Minister is the Count Dracula of the Canadian economic system. The Prime Minister has to start giving it a transfusion, giving it more power, not just taking the blood out of it. His government has been like Dracula, like a vampire bat feeding on the economic system of Canada for the last seven or eight years. Are they going to stop that and start giving the economy a transfusion, or will they continue taking all the life blood out of it? That is the question which the Minister of Finance will not even answer.

An hon. Member: He is not even here.

Mr. Crosbie: The Minister has had to go somewhere outside the country, I believe. But the Minister of State for Finance is here and I think that he is the man concerned with these questions and he might put them to the Minister of Finance.