

make the case that the Government has not clearly signalled the direction in which it intends to move. However, the Government did say that one of the reasons all these cuts are being made is to reduce the deficit.

The projections of the Minister of Finance indicate that the deficit will increase next year. More important, one of the main issues addressed by the 21st Report of the Economic Council of Canada is the matter of the deficit. That report indicated that the major problem in terms of the deficit was not government spending but the fact that we had not been collecting adequate revenues through our taxation system. When a question was put to the Chairman of the Economic Council, he said that there had been too many corporate tax giveaways. He was trying to tell the Government that if it is to reduce the deficit, if it will be able to obtain funds so that borrowing can be kept to a minimum while still delivering the desired social programs, it must start taxing that corporate sector as much as every other country in the world does.

In the economic statement there was very little that I could see that would be of help to small business. There was very little in terms of any action on interest rates. Everyone knows that the interest rate is the number one problem in the country, yet that problem was virtually ignored. There was nothing in the economic statement regarding real steps that the Government planned to take on affirmative action or contract compliance. The entire matter of equality in the workplace was overlooked by the statement. We did hear, of course, that the Government would emasculate FIRA and allow more foreign enterprise into the country, foreign enterprise that would control the direction of our economy. It indicated that being a renter in our own house is the best way to proceed.

The Minister indicated that he wants to privatize Canadair and de Havilland. Do you not remember, Mr. Speaker, what happened with Mr. Diefenbaker and the Avro Arrow? Do you not remember what the Conservative Government did to the growing aerospace industry when it had a chance at it? The Government is doing the exact same thing again. Conservative members are saying that there is a lot of government involvement in de Havilland and Canadair. Surely there is not an aerospace industry in the world that is not developing hand in hand with its government. If the Government thinks that the aerospace industry can be developed by the private sector alone, it is staring reality in the face and ignoring it.

Many of the Ministers are suggesting that we are going to open up our borders to free trade and that this will somehow help us. It flies in the face of the actions taken by every other country in the world. Whether the action is good or bad, it ignores what is happening in the United States. As I stand here today, 21 bills are before the American Congress and every one of them is a protectionist bill which raises tariff walls. Around the world, country after country has its own FIRA in place. What is our Government doing? Again, it is moving in a direction counter to the general forces in western society.

Borrowing Authority

I suppose that the biggest surprise of all was the reference to defence in the economic statement. I like other Members realize that the new Minister of National Defence (Mr. Coates) went to Washington to say that we are going to expand our defence budget. He then went to Europe to the base of NATO operations and said: "Watch Canada now. We have a new Government, we are going to expand the defence budget". After the economic statement came out, Mr. Speaker, we found that the Government is going to cut the defence budget by \$154 million.

The point I am trying to make is that the people of Canada are trying desperately to find out what the Government is up to. They want to know in which direction the Government will take us. Today the Minister of State for Finance stood before us and asked for permission to borrow \$16 million into next year. The people of Canada are saying: "If we are going to give that authority, surely we must have some idea of where this Government is going". I hope it is understood from what I have said that it is not very clear where this Government is going.

● (1610)

Many people refer to the ghost of Mackenzie King which still lurks around these hallways. I suspect if one looks behind certain curtains one will see the ghost of Margaret Thatcher and Bill Bennett. If people want to know where this Government is going, all they have to do is look at British Columbia. It was one of the richest provinces in this country until recently. It has been a have province since its inception. It has been a province which people have looked to as one of the most thriving and dynamic parts of Canada. But in three short years, Mr. Speaker, the Conservative Government of that province has turned it into an economic basket case. I believe that any Hon. Member, no matter from what political party, would have trouble making a case for the actions of the Government of British Columbia.

Just look what Margaret Thatcher is doing, Mr. Speaker. If the people are wondering in what direction this Government is going, two good examples of that are the Province of British Columbia and Margaret Thatcher's Britain.

Mr. Andre: How about Mitterrand's France?

Mr. Riis: Someone across the way tells us there are alternatives. I suspect we can look at Australia to see how the economy in Australia is going. As a matter of fact, on December 1 we will see a government re-elected in Australia, which happens to be one of the most progressive governments of the world.

The advisers to Mr. Bennett, the Premier of British Columbia, when asked for advice by a young person, said: "Go east to Manitoba. That is where the growth, the investment and the jobs are". The Government of Manitoba, Mr. Speaker, is a New Democratic Government. It has a different approach. This Party sees that the country should be moving in a particular direction. Its direction now is 180 degrees different.

Mr. Andre: Thank goodness!