

Canadian Economy

tion has a fourfold strategy for achieving economic recovery, based on the recognition that runaway government has been a major problem. That administration plans to concentrate, first of all, on spending cuts, then tax cuts, regulatory relief and monetary restraint. It is important to note that it is a fourfold thrust they are embarking upon in the United States. It is true that monetary restraint is the fourth thrust, but that administration would be the first to tell you that without proper fiscal restraint, with resulting tax savings and, above all, regulatory relief, the entire program will not achieve the success hoped for. In short, it is a co-ordinated, concentrated attack on inflation and the lack of productivity in that country, something we do not have in this country.

The administration in the United States plans to cut spending growth by two thirds. That will be a savings in the United States of \$55.9 billion by 1982. Imagine the contrast. There you have a nation that intends to cut back its growth by two thirds and save something like \$55 billion in spending, yet this government has in place \$7.5 billion on a national accounts basis of extra spending over what we projected in the Clark budget on which we were defeated.

President Reagan wants to eliminate his government's deficit, which he forecasts next year to be 3.7 per cent of total spending. That 3.7 per cent is in contrast to the 20 per cent of total federal spending this government contends is prudent.

Can you imagine our shock this morning to learn that our Minister of Finance, if you like the mother of the deficit I have referred to, being 20 per cent of our total spending, has now been chosen to chair an important committee of the International Monetary Fund and may have some influence on the entire world's financial system, as opposed to being restricted in the harm he can do to Canada alone? The Minister of Finance is recognized around the world as being the last of the big time spenders. As I indicated, it was stated in today's story that he in fact had been acclaimed or chosen as "Mr. Big Spender" of the seven major industrialized nations. What a sad reflection on Canada itself. I can assure the House and I think most of the members of this House feel the same way, that if those who have compassion for the comparatively poor of this nation, the small businessman, the farmer, the fisherman, those who somehow believe in the free enterprise system, believe that people in those categories should be given a reasonable opportunity to improve their lot and their real wages, they have to support the thrust of our motion today and bring the strongest possible sanctions against the government, urging it to correct its ways. If the Minister of Finance is the problem and is unwilling to correct his ways through a new budget, we should ask him to resign.

Canada can be such a great nation. Rowland Frazee, the president of perhaps the fourth largest bank in the world and our largest bank, the Royal Bank of Canada, has said that if over the next few years we could capture the productivity we have lost, it would mean \$4,000 in added income in real terms per worker compared to a projected \$200. This is the sad aspect of this matter. Those who represent that they have the common man's interest at heart are the very people who are

hurting that common man so badly in this country. They are denying him the break I would suggest the Canadian worker is entitled to and would have with proper leadership here in Ottawa.

We are talking in very, very large terms. I do not think we in Canada have to accept being number 13 as far as real incomes in the world are concerned, but that is our current position. We used to be number two, running hard at being number one. I suggest that with a properly co-ordinated fiscal, monetary and industrial approach in this country we could not only be number two again, we could be number one among the nations of the world. That is what we in the official opposition believe and that is why we want our minister, if you like our Pimpernel, to take action. They seek him here, they seek him there, they seek him everywhere, this Minister of Finance, but nowhere can they find him doing an effective job.

● (1240)

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, before getting on with the substance of my remarks, I should like to comment very briefly on the intervention of the hon. member for York-Peel (Mr. Stevens) who has just presented his motion. First I must tell him that I am surprised he should be making unfounded accusations against all those who selected Canada's Minister of Finance to chair the interim committee of the International Monetary Fund. In my opinion, the hon. member for York-Peel is insulting the ministers and the international finance experts who chose the Canadian Minister of Finance to preside over that important meeting.

I was also struck by the frenzied rhetoric he resorts to when he talks about budgetary deficits and government expenditures. I am astounded by the fact that in the House last night the hon. member for York-Peel supported the motion of the hon. member for Calgary Centre (Mr. Andre) who was urging the government to boost its expenditures by \$3.5 billion. I fail to see where the logic is. On one hand, they say to the government: Cut down your spending; on the other, they rise to support their colleague from Calgary Centre who says to the government: No, do not cut down your spending but rather increase it to the tune of \$3.5 billion. So much for the logic of the hon. member, as evidenced as well in his speech.

The hon. member quoted selected excerpts from the economic review I tabled in the House earlier this week. Common sense being the one thing in the world which everybody has, I would suggest that the great majority of people look askance at figures taken haphazardly out of a 200 or 300-page document. I do not want to comment on those figures because I know that my colleague, the hon. member for La Prairie (Mr. Deniger), will set them in their proper context when he takes the floor later on this afternoon.

Mr. Speaker, the hon. member for York-Peel has just given us a very pessimistic outlook on the current economic situation