

system. Mr. Speaker, this debate is very interesting for Canadians. It is interesting because it shows two positions, the restricting position of the Progressive Conservatives, and the irresponsible position of the New Democratic Party.

Mr. Speaker, this debate shows why the voters chose the Liberal party recently. They did so because the Liberal party holds the middle position between these two extremes. As we said during the last campaign, the Liberal party is the party of good sense, and the Liberal party, which heads this government, has a policy of good sense. In his statement of April 21, the Minister of Finance (Mr. MacEachen) said to Canadians that we were going through a difficult period. There are still inflationary pressures in Canada, and the Leader of the New Democratic Party would want us, as the government, to add fuel to the flames. He would want the government to take expansionist measures by, as stated in the motion, cutting taxes, increasing government expenditures, and so on. The Minister of Finance stated that he wanted to continue to fight vigorously against inflation because he and the government are convinced that, in the middle and long term, this is the best way to provide all Canadians with a healthier economy. That is therefore our objective. It is quite obvious that the Minister of Finance regrets that there is a \$14.2 billion deficit but if he has to tolerate this large deficit, it is because the present slowdown of the economy must be attended to and the deficit will enable Canadian society to come through this difficult time with as little unfavourable consequences as possible.

The Minister of Finance does not want to implement the suggestions of the New Democratic Party because, as I said earlier, he finds these suggestions irresponsible and he believes that they would promote inflation and that it would once again be the most needy in our society who would suffer the most.

In his amendment, the Progressive Conservative leader continues to fight against windmills. In fact, he is fighting against rumours. When he says that he is completely opposed to a measure which would remove indexation, the Progressive Conservative leader is fighting against a rumour; he is not fighting against something that the government has done or even against something that the government has announced that it might do. He is fighting against a rumour going around before a budget is brought down.

Now, the Canadians who have well understood the concerns of this government and this party in the last several years, instead of believing rumours, will choose to believe this party and they can rest assured that the Minister of Finance, when he brings down his budget, will also introduce such measures as will be of benefit to all Canadians.

When the Leader of the Opposition speaks of a 27-cent tax at the refinery, once again he is fighting against a rumour. He knows full well, as do all Canadians, that the government, at a time when it is negotiating an oil price agreement, has to consider all sorts of possibilities; when the right hon. member argues against such a measure, he is strug-

gling with Mother Rumour. He is not criticizing a measure announced by the government, but is dealing merely with speculations. That attitude is certainly not what one would expect from a realistic leader of an opposition party. The policy of this government is to face up to reality and to present, in the face of that difficult reality, the measures best able to bring some relief to the Canadian people as a whole.

I shall refrain, Mr. Speaker, from using up any more of the time of the House to deal with this motion. I wish to give other colleagues, other hon. members, the opportunity to address the subject.

● (1710)

[English]

**Mr. Bob Rae (Broadview-Greenwood):** Mr. Speaker, in putting this motion before the House this afternoon, the New Democratic Party is really raising two questions. The first question is the direction of our economic policy. The second question is the integrity of governments and, indeed, the integrity of the political process itself.

I might just say in response to the comments of the Leader of the Opposition (Mr. Clark) that I can honestly say that before I heard him speak this afternoon I, and I know many of my colleagues, had a great deal of respect for his sense of decency in fairness of debate, but I am sorry to say that any respect I may have had before today I have lost completely.

The statements he made with respect to our party's policy were inaccurate and unfair, and in my view they did not contribute anything to a discussion of the motion before us with regard to the direction of the government's economic policy. For a while our economic policy has not really changed, and this is something which I am sure has been felt very deeply by the average citizen over the past few years. We have in fact had a bewildering revolving door performance from governments and oppositions since the earlier Trudeau administration.

The late 1970s saw the Liberal government embracing monetarist doctrines, like an aging widow suddenly lovestruck in her autumn years. The Conservatives, in opposition at that time, combined opportunism and complete confusion in an amazing, and, indeed, confusing blend of policies which included, for example, lower taxes, less government spending, tighter money and lower interest rates. The deficit in one version might be increased.

That was the period when the former member for Ottawa Centre (Mr. de Cotret) was talking about a stimulative deficit, but this policy was not carried through by the party when it took power. The Conservatives in power increased government spending, raised taxes, raised interest rates and made lower deficits a matter of sacred principle.

Both speakers for the Conservative party today, the Leader of the Opposition and the hon. member for St. John's West (Mr. Crosbie), in discussing their tragic loss of power in December, failed to mention one thing in this conspiracy view of history with which the Conservative party has attempted to