

**Some hon. Members:** Oh, oh!

**Mr. Rae:** I see I have stirred up some of the sleeping lions who I know will vote for whatever measure the cabinet puts forward, and we have seen evidence of that, regardless of how strange it may be. I just want to speak to the Parliamentary Secretary to the Minister of Finance (Mr. Evans) about his own contribution and the contribution of the Minister for Industry, Trade and Commerce (Mr. Gray). Perhaps the minister will stand up and tell us how it is that events are now so different that a budget was required in October before he was prepared to accept the request for \$7 billion and yet somehow, strangely, a budget is not required in June when his government is asking for \$12 billion?

**Mr. Paproski:** Tell us, Herb.

**Mr. Rae:** That is a riddle or a conundrum I would like the minister to try to answer for us tonight in the House of Commons. The government cannot answer that question. There is a total contradiction between the kinds of statements and the kinds of things that were being said about deficits, about spending, about the nature of stopping deficits, the nature of taxation, the nature of the recession and what the Liberal party would do when it was elected, and what its record has been since it was elected.

There has been a total contradiction in the statements that were made by the financial spokesman for the Liberal party prior to the election and what the government has been saying since the election. There is a complete contradiction, and that contradiction has to be brought home again, again and again to the Canadian people. But above all else, this party opposite is a party without a shred of principle, without a shred of conviction and without a shred of belief in anything, either political or economic.

**Some hon. Members:** Oh, oh!

**Mr. Rae:** The only principle which keeps that motley band together is the lust for power. That is the only thing that keeps them there. When did we hear, prior to the election, from the Liberal party that a higher deficit was causing inflation? We heard that statement from the Liberal party when it was in opposition.

**An hon. Member:** They will divorce you if you are not careful.

**Mr. Rae:** In opposition, it was the hon. member for Windsor West (Mr. Gray) who said that deficits are less important than people. That is what he said. When will we hear that statement from the Minister of Finance, from the Minister of Industry, Trade and Commerce, from the Parliamentary Secretary or from the Prime Minister (Mr. Trudeau)? When will we hear those statements? When will we have a clear indication, now when the economy is heading into a recession, when our capacity for utilization of our industries is falling to 80 per cent, when in some industries it is below 70 per cent, when our unemployment rate for the fiftieth month in a row has been

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over 7 per cent of our labour force, that the government will reduce the deficit? If it is going to reduce the deficit, how will it be done, how will it raise the taxes and what expenditures will be cut?

The parliamentary secretary says that we have to get the deficit down. There are only two ways to do it, either by cutting expenditures or raising revenues. That is a statement with which no member of this House who has the moderate knowledge of mathematics, which the parliamentary secretary possesses, could disagree. That is not the question. They are the government. I ask them what they are going to do. Will they raise revenues or will they cut expenditures? I ask when and how will this be done? Until the government answers those questions, it does not deserve to get a penny authorized from this House, not a cent.

We should return to the historic role of Parliament. Parliament has to control the purse. Parliament has to exercise authority over the affairs of the country, not the Senate, and not by the Deputy Minister of Finance going to the Senate and giving a long philosophical discussion of what he might or might not do. This will not be done by the governor of the Bank of Canada giving speeches right across Canada saying what the economic policy of governments past and present have been or will be because whatever happens, Bouey XVI will be there for years to come. That is not the way policy is supposed to be made. Policy is supposed to be made here in Parliament, and it should be accountable to Parliament. We are the people who have been elected and we are the people from whom the rest of Canada expects some leadership and accountability.

We have this ritual that we go through with this government—and we went through it with the Tory government—of waiting months and months for a budget, having no indication of what its policy is, having dribs and drabs of statements, some saying the deficit has to go higher and the Prime Minister saying one moment that he is not particularly concerned about the deficit, the Minister of Finance saying that it is a very serious problem, Governor Bouey saying he is not worried about the fact that there will be extensive capital investment which will cause tremendous problems to the country in years ahead, and Dr. Stewart saying the reverse a week later in front of exactly the same Senate committee. This is no way to conduct the financial affairs of the country. It is certainly no way to conduct the financial affairs of Canada.

In closing, I want to make one point perfectly clear.

**Mr. Beatty:** The last person to say that was Richard Nixon.

**An hon. Member:** That is not a comparison.

**An hon. Member:** That is a good parallel.

**Mr. Chénier:** Now he is lost for words.

**Mr. Rae:** The economy is heading into a serious recession. The American economy is heading into a more major recession than was ever anticipated. This is no time for the government to be contemplating serious tax increases when there is no