

knew what would happen if that group had continued in power—

Mr. Benjamin: You are doing the same thing.

Mr. Gray:—and had not been removed by the Canadian people.

I think that the member nations of the International Monetary Fund must have decided that, in electing the Minister of Finance to his position as chairman of their key committee, the balanced approach represented by the Minister of Finance was more in the best interests, not only of the Canadian economy but of the world economy, and they expressed that judgment when they elected him chairman of that key committee.

I have already said that the hon. member for York-Peel is slow to learn but he is also quick to forget, quick to forget that growth in the last six months in Canada has been running at an annual rate of 6 per cent to 7 per cent; that the unemployment rate has fallen to the lowest level in almost four years; that the current account of the balance of payments in the fourth quarter of 1980 moved into surplus for the first time in six years; and that we are creating jobs in the Canadian economy faster than any other industrialized country in the world. In the wording of his motion, he has obviously forgotten what the budget of this government presented last October was all about.

Contrary to the allegations of the hon. member for York-Peel, the budget did create an environment in which sustained economic growth and development can and will occur. Let me briefly remind the member opposite of some of the elements of the economic strategy of the government set out by the Minister of Finance in his budget of October 28, 1980.

In his motion, the hon. member inaccurately claims the government's policies are destroying stability. That budget is aimed at reinforcing stability. The official opposition in its motion ignores, as this government does not, the destabilizing and destructive effects of inflation. Unlike the hon. member and unlike the official opposition, this government's policies are very much concerned with maintaining the stability so necessary to the health of our economy.

Central to the budget was a fiscal plan calling for steady and gradual deficit reduction and expenditure restraint. The purpose of this budget and this plan was to provide a basis for sustained private sector expansion as well as its financing over the medium term. It is through helping improve the productivity and the competitiveness of our private sector that the government is in fact working to strengthen the productivity and competitiveness of the entire economy. This is where improved productivity and sustained competitiveness in the private sector will originate, not from the empty rhetoric and confused ideas of the member from York-Peel and of the official opposition.

The hon. member and his colleagues have demanded that the government spend more. Today, however, the hon. member is complaining about government spending. Yesterday he apparently voted for increased expenditures by the federal

government of more than \$3 billion. I think that throughout this debate this type of conduct has shown the confusion that exists when it comes to the Conservatives deciding what their priorities really are. For them, at one and the same time less spending is the number one priority and more spending is the number one priority. This is typical of the irresponsible and in fact hypocritical approach on the part of the official opposition to the necessity of having the right kind of priorities in place for this country at this time.

● (1440)

In the budget, this government set out firmly what Canadian priorities must be at this time in energy, economic development, industrial development and adjustment and manpower retraining. Our commitment to these areas has been demonstrated through increased funding; for example, the 22 per cent increase in the economic envelope for this year and through definite actions.

At this point I want to describe some of these actions and to talk about some of the things we have done and are doing to carry out the promise of the October 28 budget to enhance the stability, productivity and competitiveness of the Canadian economy. Surely it cannot have escaped even the sluggish perceptions of the occupants of the official opposition benches that in the variety and the creativity of the particular economic development measures which we have taken over the past 15 months and are continuing to take, these are the real and important measures of the government's effectiveness in building on Canada's impressive economic strengths, in improving the competitiveness of our industries and in increasing the capacity of our economy to generate wealth and income for the benefit of all Canadians.

I want to mention the new industry and labour adjustment program, the funding for which, \$350 million, was announced in the recent budget. Already four communities undergoing severe adjustment pressures have been designated for assistance under this program, which in a unique way brings together measures to support both industries and workers in the designated communities. I expect more designations of communities will be made during the course of the program. This program flows from the government's recognition that adjustment and restructuring are a necessary part of increasing competitiveness. At the same time the burden, the costs of industrial adjustment and restructuring, should not be permitted to fall solely on particular individuals, communities and industries, since the results sought are for the benefit of the entire economy.

I think it is wrong that for some the notion of adjustment seems to convey a negative connotation, but in reality continual adjustment is a necessary precondition for maintaining a dynamic and vibrant economy. The positive side to adjustment is innovation and seizing and exploiting market opportunities as they emerge. The government fully recognizes this and has taken some very significant steps to ensure that these kinds of adjustments are a reality of the Canadian economy and the activity within it.