

The Budget—Mr. McCrossan

Member so hypocritical as to rise in the House to take credit for the drops when he was not prepared to take the responsibility for the high rates? One cannot suck and blow at the same time, or is that synonymous with Conservatives? They talk through both sides of their mouths at the same time.

Mr. McCrossan: Mr. Speaker, I would not have phrased the question that way but if I had phrased it, I could not have done a better job. The question gives me a chance to talk about something that was happening during the early 1980s but has changed now.

As we built up very large deficits through the 1970s and the 1980s, the dollar was under tremendous downward pressure. The only choice the Government had in the face of these runs that occurred on the dollar was to maintain wider interest rate spreads than those that had been traditional between Canada and the United States. Traditionally, those spreads had been at the .5 per cent to 1 per cent level. Gradually those spreads grew to several percentage points. The important change that occurred and the reason the Minister of Finance can take credit for this is that he took the pressure off the dollar.

By reducing the deficit, indicating to the world that we are determined to have a stable currency and a solidly expanding economy and taking the pressure off the dollar, Canada has become the preferred place in which to invest and create jobs. The deficit is falling. The last run on the dollar was a year and a half ago. We are now facing a steady increase in the dollar and as a result of the economic policies we brought in, the Minister of Finance and the Governor of the Bank of Canada have been able to allow interest rates to fall very abruptly. These interest rates have fallen as a direct result of the Government's approach. I see nothing wrong whatsoever with taking credit for it because we got ourselves out of a problem the Liberal Government had built up for us over the last 15 years.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I listened with great interest to the speech of the Hon. Member for York—Scarborough (Mr. McCrossan). I could not help but wonder why, if the Minister of Finance (Mr. Wilson) and the Government is doing such a fantastic job, no one in Canada knows about it. As we travel around Canada, we certainly do not hear that message from the taxpayers.

At the beginning of his speech, the Hon. Member for York—Scarborough did say that interest rates have changed drastically in five years. I would remind the Hon. Member that five years ago, the mandate of the Liberal Government had more than two years to go. I think the Hon. Member should have thanked the previous Government rather than criticizing it in the way he did because it was obviously the Liberal Government that laid the foundation for this Government to move on the good things that are happening today in the area of interest rates.

I recognize the fact that Conservative Members do not wish to believe the truth when they hear it, but the Hon. Member did say that interest rates have changed in five years. I cannot help but agree with him. The severe depression of the early 1980s was handled superbly by the Liberal Government compared to the way the Conservative Government handled the worst depression ever before that, the depression of the 1930s. We know what happened to many people then. Government Members had better keep remembering that.

I think every Canadian across the nation realizes what the Liberal Government did in the early 1980s. It supported people on old age pensions without any cuts, it supported low and middle-income people, it supported unemployment insurance programs because it was a tough time for the unemployed, it supported people on family allowances, and it supported hospitalization. All these programs were brought into Parliament by Liberal Governments over the years.

There have been some fantastic Ministers of Finance in Parliament in past years. I would like to tell the Hon. Member for York—Scarborough that I certainly would not want to compare the present Minister of Finance with the Ilsleys and Abbotts of this world. They were truly Ministers of Finance at a time when Parliament faced tremendous challenges, not only nationally but internationally through the war years.

When the Government is praising itself for what a tremendous job it has done and at the same time it is condemning the Government of past days, I think the statement that was made earlier about not sucking and blowing at the same time is appropriate. By the way, that is an old Ottawa Valley saying. It originated in the Ottawa Valley, as did many other famous sayings. If the Government is going to take credit for the positives, it had better take the blame for the negatives.

The Hon. Member for York—Scarborough said that Scarborough is booming. That is great. There is nothing wrong with that at all. However, it is too bad that some of that has not spread across to other parts of the country. Rural Canada is not booming these days. This is the Government that said it would have all the problems of rural Canada solved in no time at all.

The Budget the Government brought in a few weeks ago is a perfect example, and indeed a perfect reflection, of the policies of a Government that has no original ideas and no perception of how it should attack the difficult problems of our time. It is quite obvious that the back-benchers in the Conservative Party had no say in this Budget, or did they? The man from Bay Street—the Finance Minister—had everything his own way. He knew of only one way to go and that was to increase taxes on the lower-income and middle-income people in the country while ensuring that he protected his wealthy friends and the large corporations. One need only look at the figures in the Budget to prove that.