

ing we have learned in the 60 days. We have not made a mistake". It would not have been hard to say they made a mistake. They could have said, "If we are re-elected, we will not apply the excise tax on gasoline to the farmers, to the fishermen, to public transportation, to travelling salesmen and to other people who have to use their cars and use gasoline in order to earn their living, not for luxury. In that respect perhaps we are wrong and we will provide for an exemption for these groups, even if it means adding, in the spirit of conservation, two, three, four, five or ten cents to the tax of other people who use their cars part of the time for unnecessary travel."

I think that kind of flexibility on the part of a government seeking re-election might have had a dramatic impact on the outcome of that election. When you go into the rural areas, or into the Atlantic provinces and say to the people "Re-elect us and we will guarantee that we will impose the terrible tax which you have to pay for the first time, despite the problems you have in earning a living or to break even, but we will do so for your own good and you will feel the beneficial results 20 years from now," and then to come out and refer to the background papers in the budget predicting the state of the economy five years down the line, predicting a substantial increase in unemployment figures, all this is hardly designed to win friends and influence people in the industrial sector. So I am at a loss, as a friend of hon. members opposite, to understand, even at this late date, 60, 90 or 120 days after the election, their motivation for saying that they were right in December, they were right in the election campaign, and that even if the people defeated them on February 18, the people did not know what they were doing, and in the next election they will come back with the same outmoded concept. That is music to my ears.

**An hon. Member:** Why is MacEachen doing the same thing?

**Mr. Mackasey:** The hon. gentleman over there is doing very well looking through his papers. If he has an argument with the present Minister of Finance (Mr. MacEachen), I am sure that he is quite capable, as one of the future leaders of that tired little band in the corner, to make his case during the question period.

I am pleased and satisfied with the statement of the Prime Minister (Mr. Trudeau) today that no matter to what degree we are committed to restraint, to reducing the accumulated deficit, we will not do it at the risk of increasing unemployment in a country where the level of unemployment, so far as I am concerned, is already too high.

It was consolation to know that despite the pressures of the opposition in the question period, despite the pressures from certain financial institutions, despite the pressures from some editorialists, we will not be decreasing the deficit by cutting back on those programs that are so badly needed to stimulate the economy at a moment when we are suffering from an over-reaction by the United States government to the whole issue of inflation. I have never been convinced that inflation in

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the United States is the result of too much money chasing too few goods. On the contrary, I think it is self-evident that it is related to the high cost of petroleum, and I think the opposition is right when they make that case. I think we make the same case. But be it as it may, unemployment in the United States spills over into this country if for no other reason than that as our best trading partner they take in many of our exports, and if they are not buying because their economy is, or will be, at a stand still, this is bound to have a negative effect on this country.

It is at that time in our economic history when the government of the day has to stimulate the economy. The hon. member from the New Democratic Party spoke very recently and very persuasively about the tendency of some bureaucrats to advise this government. Perhaps the difference between the two governments, the Clark government and our government, is our ability to resist bad advice. Whatever the reason, medicare is a perfect example of what happens when private enterprise and government are competing for the same shrinking funds.

I have often likened our system in Canada, particularly the one that this party has fashioned by reason of the fact that it has been in government for so long, to a marriage of convenience between private enterprise and social policy and social reform. We believe in private enterprise because obviously it is the most effective and successful generator of capital in world history, as compared to communist, socialist, or social democratic countries. Private enterprise, as epitomized by the Americans in the United States and, to a lesser degree, by ourselves, is still the best way of generating the capital we need. What does the government do? Our government simply said, "We would like to distribute some of that capital on those types of programs that should be synonymous with our way of life, that is, universality of medicare, universality of education, equality of opportunity, and minimal regional disparity through our transfer of payments". That is our responsibility.

When that pool of available capital becomes smaller and when there is legitimate competition for funds between free enterprise and social policy, then you have to, as the French people often say, pour a little water in your wine. Surely you do not want that marriage of convenience to end in divorce. It is obvious that the strategy and the policy of the Conservative party is to say, "This is not a convenient time for one of the partners in the marriage to advocate social policy and to be making demands." Perhaps it is not, nor do I think it is time that we should cut back these policies to the point that we destroy them, because these are the things that distinguish Canada from the United States.

Medicare is a perfect example of the difference between our two countries. When we say, as a government, that we are dedicated to equality of opportunity for Canadians, that should apply to all Canadians. It should mean that the level of medicare available to the people in the Atlantic provinces is equal to that in Alberta, in Quebec or Ontario. Already through block funding we have evidence that that is no longer