

since we know that when the Leader of the Opposition goes to Nova Scotia he says that more money will be put into defence. When he talks about medicare he says more money will be put into medicare, so the Provinces can solve the problem. Of course, he would balance the budget. He would spend all this extra money, cut taxes, and yet balance the budget.

● (1430)

Mr. Speaker, this is not a serious proposal to create jobs in the country. This is befuddling the economic solutions that this country sorely needs and which this Government is trying to put forward. The Leader of the Opposition talks about the need to be competitive, yet he says that his Party was right in fighting the six and five measures that we put before this House. What else were we attempting to do, Mr. Speaker, when we were tackling inflation which was at 12.8 per cent? We had a meeting with the provinces and they all said we should bring interest rates down. Interest rates were at 20 per cent or 22 per cent in the United States of America. What we said, Mr. Speaker, is that we will bring inflation down. When we bring inflation down, that will make Canadians more competitive and more productive and we will have the immense trade surplus of \$18 billion that we had last year because we brought inflation down from 12.8 per cent to less than 5 per cent, the lowest it has been in 11 years.

Admittedly, the Government did not do it just by passing a law and imposing controls on everyone. The Government did it because the Canadian people understood the need in Canada for Canadians to be competitive if they wanted to sell in the world market, which they did. They became competitive. We brought inflation down to 4.9 per cent. Mr. Speaker, from there we began to create the jobs because there were the markets to buy the goods at these lower prices caused by lower costs. That is how it was done, Mr. Speaker. It was done easily and certainly not with the support of either of the opposition Parties who said it was unfair to index things at 6 per cent when inflation was at 12. We said it is not unfair because if the Canadian people co-operate, which they did, we will have inflation at 6 per cent and therefore indexing at 6 per cent will not be unfair for the old age pensioners, the trade unions, the civil service retirement fund or anyone else. We collectively, not the Government but the Government acting with the people and followed some distance behind by the provinces who criticized the scheme at the federal-provincial conference of February, 1982 and again in August, 1982, at the Premier's conference, brought inflation down below 6 per cent. The provinces scoffed at the six and five as something that would not work, that was insufficient and was wrong, but they finally jumped on the bandwagon, as the Leader of the Opposition so often does himself when he sees a thing work.

Inflation was brought down and what is the result? Unemployment rates are now at the lowest they have been in two years. Certainly they are not low enough, they have to continue going down, but when the industrialized world, the OECD countries, have something like 35 million unemployed, to say nothing of the hundreds of millions of unemployed in the Third World, surely an exporting nation like Canada cannot just

create jobs by throwing money at them. It can help create them by bringing the cost down, which we did collectively. It can, with as prudent management of the economy as it can muster, steadily bring down the unemployment figures, as has been happening in the last two years.

It can help by creating jobs. It created some 330,000 of them last year and probably almost as much this year. It was not as much as was predicted in the last budget, but since then we have had more and more pleasant surprises. In the third quarter of this year, the last one for which we have figures, we know that GNP in real terms in this country is growing at a rate of 8 per cent, Mr. Speaker. Obviously, that is probably not going to be true the next time. I do not think we can possibly grow that fast. As in the other quotation from Larkin Kerwin, that would be too much excellence for this country. We cannot do it that well that fast, Mr. Speaker.

Productivity is another thing. We discovered this morning that the Leader of the Opposition was very concerned with productivity, microchips and R and D. Let him look at the productivity figures. If I understood him correctly, he was saying that we should take a leaf out of the book of the Japanese who have productivity between 2 and 3 per cent. If he looks at our own figures for this year he will see that productivity has gone up 2.6 per cent. If he looks at the figures since 1980, since this Government took office, he will see that productivity has gone up by 2.3 per cent, which is well within the range that he said productivity should be. So what is the big deal, Mr. Speaker? Obviously we have to pull up our socks and work hard. That is what everybody is preaching.

Where are the hard decisions to be taken? The Leader of the Opposition would cut taxes, cut the deficit, balance the budget and somehow find enough money to increase defence spending, medicare and so on. This Government has brought in taxation measures, some of which are before the House now and will be voted on, hopefully, very soon, so that the taxpayers of Canada can have their refunds in time this year rather than as was the case before my hon. friend entered the House last year when procrastination caused days and weeks to go by while the same tax Bill was debated, which deliberately withheld money which was due to be reimbursed to the Canadian people. I hope that will not happen again. I think the Leader of the Opposition ought to co-operate on that score. I know he is not negative. He is trying to hold together a Party which is negative and against everything. He has my good wishes that he will succeed. It will be good for him, for his Party and for the country. Maybe if they can do that for a little while, then we will test them in an election. Mr. Speaker; but we will see if they can do it for a little while.

Time for a change; that is what the people think and that is what the Tories say. If it were 20 years it would be a long time and time for a change. It is time for a change, but let me tell the people of Canada who are thinking that that if they change to a Tory Party they would be wise not to be unemployed or to be poor.

**Some Hon. Members:** Hear, hear!