

*Economic Conditions*

tures lower than the projected rate of the gross national product. We have also avoided extremist solutions by keeping in effect the indexation of income tax tables. Of course the government could have abolished that indexation and thus contribute to restrict liquid funds. However, one of the important elements contributing to inflation is the tendency of groups and individuals to try to make up for their loss of purchasing power as a result of the higher cost of living. Canadians generally have understood that the indexation of income tax tables and other indexations such as apply to family allowances, old age security and guaranteed income supplement are sufficient to cushion the rising cost of living.

Canadians who acknowledge that the government is endeavouring to maintain its purchasing power in spite of substantial inflationary rates are encouraged to be more reasonable in their wage demands. While reducing or contributing to reducing inflationary expectations, the government also contributes to reduce inflationary pressures. But all these government measures, whether through the Bank of Canada's gradual reduction of the money supply, a sensible medium or long-term fiscal policy, or the extended indexations which compensate citizens for the increases in inflation, require that the various agents of the economy do their part in their respective areas to fight against inflation. And the atmosphere of panic which some people seem eager to create from short-term isolated events—

**Mr. Rae:** For the third time—

**Mr. Bussières:** —will not help convince the various agents of the economy to get together and fight against the common enemy, that is, inflation which causes the cost of living to rise.

Mr. Speaker, to the extreme solutions which I have indicated, we, as members of the government, prefer sensible solutions. I am sure that Canadians will not fall for the argument of opposition members who are eager to push the panic button, but that they will follow the Minister of Finance in the right direction with medium and long-term solutions, and also support the Minister of Energy, Mines and Resources (Mr. Lalonde) who, through his national energy program, will facilitate the implementation of the budget measures and accelerate the recovery of the Canadian economy, which in turn, sooner or later, should improve the lot of each and every Canadian.

● (2330)

[English]

**Hon. Walter Baker (Nepean-Carleton):** Mr. Speaker, just a few minutes ago I listened to the Minister of State for Finance (Mr. Bussières) repeat a litany in which he accuses members of this House who do not happen to agree with him, from the point of view of where we are seated in the House, of creating a mood of panic. We have not had to create that mood in the country. The government has succeeded in creating that mood all by itself.

That is the whole point in this debate. The minister has forgotten why this extraordinary debate has been allowed. Both opposition parties of the country have concluded, along with the people of Canada, that there is an economic crisis. The motion itself talks about an economic crisis in Canada. That economic crisis was not created by the official opposition or by the New Democratic Party. The economic crisis in Canada has been the creation of unfortunate, wrong-headed policies and by fiscal and financial irresponsibility over the long years of the Liberal reign.

My party was in power for a short period of time. Some people, including a number on the government side, have said that the period was so short it could hardly be noticed. They cannot then accuse us of creating the chaos underlying the situation which is worrying Canadians so much today that representatives of Canadians have been able to prevail upon the Chair in an extraordinary way to allow us to debate this subject. We are not here by accident. We are here because this government has so neglected what it said it would do, so renounced the promises it made during the course of the election campaign, so given up on the principles of liberalism that the country now faces a number of serious issues—indeed, then more than serious—which will perhaps jeopardize its future.

We cannot claim responsibility for that. We tried one year ago with a budget which would have begun to lower the deficit and which would have recognized that energy prices would go up—something which even certain Liberals, such as John Turner and Donald Macdonald, are admitting. It would have cushioned against these things. We tried to give Canadians a housing tax credit to help them with mortgages and rising municipal taxes. It was the will of Parliament that it was turned down, and our government was not returned.

But this government was returned, and I do not begrudge them that, although I wish it were otherwise. It was returned on the promise that it could rectify this situation, that it could take action, introduce the policies, and, with its men and its leadership, could do something to bring this country up by its bootstraps and answer the aspirations of a great number of Canadians. That is the mood which is gripping Canada tonight. The government has failed miserably.

The Minister of Finance said earlier that he is trying to deepen the understanding of Canadians. He is deepening its understanding in only one way, and that is as to the depth of the government's failure and the triviality of its promises, and he is probably telling Canadians tonight as they contemplate renewing mortgages at higher rates, higher fuel bills, car dealers with lots full of automobiles stores with huge inventories of consumer goods which will not move, in an irrefutable way, that they were wrong on February 18, 1980, when they trusted this government. That is what is happening. In the face of that, what do we hear? What is the excuse? The excuse given by the Minister of Finance is that we are hopelessly and inextricably linked with the United States and, therefore, there is nothing we can do. The Minister of Finance is like a