

Energy

being badly hurt by this government's energy pricing policy. If we were to raise our prices by 50 per cent to 75 per cent over what they are today, it would hurt them even more. You cannot have it both ways.

If hon. members opposite think consumers are being damaged by the way oil prices are rising under this government's policy, how can they believe the consumers would be better off if prices rose faster? That is inconsistent. We need some consistency of policy, consistency of opposition criticism of this government if the debate is going to mean anything. Members opposite ask us to listen to their criticism and respond to it. When the criticism is so contradictory, how in the world can the government respond in a way that will satisfy any reasonable faction of members opposite? It cannot.

We heard additional criticisms about the government's interest rate policy. This is an area where the hon. member for St. John's West can supply some great insights into the validity of this government's current economic policy in the area of monetary policy. I wish to quote another response given by the hon. member yesterday. With regard to questions about the Minister of Finance (Mr. MacEachen), the governor of the Bank of Canada and the interest rate policy, he said:

—I think the only way—to bring down these interest rates is you've got to convince the public that you intend to really battle inflation and that you're really going to, the government is going to restrain its own spending, that (it) is putting in a program that over the next number of years will mean government restrains itself.

That clearly means the government should not introduce additional major spending programs. That would not be restraint. When the Minister of Finance indicates that he does not intend to introduce major new spending programs for the next two to three years, members opposite condemn him for being unfeeling, for not responding to the needs of Canadians. Yet the hon. member for St. John's West indicates that is one of the prime policies this government should undertake to convince Canadians it is serious about getting inflation under control and that only by getting inflation under control will interest rates come down, which is what all members want. I agree with the hon. member for St. John's West absolutely and totally. The questioner went on:

Are you convinced that the policy of the Bank of Canada is correct? If you were in power, would you back Mr. Bouey and his policy?

The hon. member replied:

Yes, I would continue to back Mr. Bouey—

Later he was asked:

—what actions would you take to reinforce Mr. Bouey's monetary policy through an appropriate approach on the fiscal side?

The hon. member had some comments to make on that. I agree with a great many of the statements he makes. He said:

Well, I think that you'd have to be very convincing that you're tightening expenditure—

Not introducing major new programs.

—you know, that you're really getting it under control. Now on that side I don't think that you can control spending more—if you could have spending so there's no real increase, you know, because of inflation there's going to be an increase, you'd be doing mighty battle there and it would be tough to do—

The hon. member is saying they are not going to solve the problem of government expenditures by cutting spending because cutting spending is very difficult to do, regardless of the comments of the hon. member for York-Peel (Mr. Stevens) who would like to see spending cut dramatically and the size of government cut dramatically. The hon. member for St. John's West has taken a realistic point of view. He said that, given the nature of government spending—the nature of transfers to the provinces, transfers to people and the provision of services by the government—cutting spending is not the way to get the deficit down. Then he came out with the other statement that the way to do that would be to look for additional revenue. I agree with the hon. member for St. John's West completely, but you cannot keep spending under control or hold it in line and at the same time increase spending for other programs unless you increase taxes, and the hon. member for St. John's West has indicated we would have to increase revenues just to get the present deficit down without increasing spending and with no new programs whatsoever.

● (2100)

Finally, I think we have to come to grips with another issue on which we have been attacked, and that is that our policy is a made-in-United States interest rate policy, for example. I think on this point the hon. member for St. John's West is totally and completely in line with the government's policy. Let me quote him. He says:

But accepting things as they are, I agree that our interest rates have to keep track of those in the United States, unfortunately, until we can strengthen our own economy and strengthen the Canadian dollar.

I think that is where the hon. member will have some points to raise because he feels there are positive economic policies to strengthen our economy which should be undertaken. He thinks those policies will strengthen these things and give us some flexibility. But, given the situation we are in now, and that is what he was referring to, he says:

I think it would be too risky to allow American interest rates to go up and ours not to follow pretty closely behind because of what might happen to the Canadian dollar. Every time it goes down a cent our cost of living goes up three—point four-tenths of one per cent is a generally accepted figure—and if the slide started, who knows how far down that might go, and I think that that would be very risky for us. In that sense I defend the policy.

That policy is this government's policy, and the defence is coming from the finance critic of the opposition party. I think the hon. member was being honest in giving a fair assessment of government policy. I respect the hon. member's intelligence, I respect his analytical ability, and I respect the fact that he respects the government's policy.

With regard to policies to help those who are being hurt by current economic conditions, not only here but all over the world, we have heard condemnation that the government has no policy in place and does not care about the people, but that is not true.

An hon. Member: Who says so?

Mr. Evans: I know hon. members opposite laugh and hoot when we talk about the guaranteed income supplement, and