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lack of confidence that were undermining our economy, namely, inflation.

He said the major cause of inflation in this country was government spending, and he then went on, but forgot to tell us where government spending should be cut. If we want this debate to be a little more realistic, we must ask ourselves what is causing the present economic situation in western economies and more specifically, in our country. As I said earlier, Canada's economy is an open economy which is heavily dependent on what is happening in other countries. This dependence makes us even more vulnerable when economic trends elsewhere change or weaken. It is common knowledge that at the present time, the economies of the West are going through an extremely difficult period and are, in fact, in a recession, and our vulnerability is in direct proportion to the position of our economy which is an open one vis-à-vis these other economies. We are now suffering the effects of this recession in addition to our domestic economic problems. What the government wants to do through its policies is to get at the root of the problem. The government does not support high interest levels; its policy is aimed at bringing them down. The government's policy is to create stable employment in the long term, and its first objective is to get rid of inflationary pressures and bring about an economic upturn in as many sectors as possible.

Mr. Speaker, as long as our society is prepared to live with high inflation rates and encourages inflationary expectations, we may be certain that high interest rates will continue to be with us. We shall have to make a superhuman effort to create jobs and we shall be increasingly vulnerable to the slightest economic disturbance. When the Leader of the Opposition (Mr. Clark) asked to have the budget withdrawn, he was not contributing anything of substance to the debate, because if we look at what is happening in other countries, then we also see high unemployment rates and high interest rates, although the budget that was tabled in this House by the Minister of Finance was not tabled in other countries which, nevertheless, are suffering from the same symptoms. It is certainly not the budget tabled here in Canada that has caused high unemployment and interest rates in other countries. We must therefore conclude that the opposition leader's reasoning in which he blames the November budget is entirely wrong. He also told us to set aside the National Energy Program. Mr. Speaker, the aim of the National Energy Program, which was presented by the Minister of Energy, Mines and Resources (Mr. Lalonde), is to ensure that Canada will achieve self-sufficiency. The program proposes a wide range of measures, from Canadian ownership of enterprises involved in oil and gas exploration and production, to helping and encouraging Canadians to save energy and change their habits vis-à-vis energy use—for instance, by converting home heating systems from oil to other energy sources such as gas, electricity or solar energy—and including a multitude of objectives that will make Canadians energy self-sufficient as soon as possible. There was a breaking-in period which demanded considerable adjustment on the

part of Canadians, so that mechanisms that would ensure the success of the National Energy Program could be quickly established. As the economic situation changed and various components of the program were established, we adjusted the program's pace to the economic situation and the needs of the moment, so that today we can say that the National Energy Program is well established and will provide the greatest possible benefits to Canadians.

The Leader of the Opposition has suggested a reform of the Foreign Investment Review Agency. The member for Etobicoke Centre said that the objective was not to break up the Agency but to change its nature. Mr. Speaker, when we change the nature of things, we are apt to destroy them altogether. I think the House should be told at what stage, and how, the hon. member wants us to change the nature of this agency—which according to the Act, is to review foreign investments, and find out whether they are in the interest of the Canadian economy in general—and the hon. member should tell us what he wants to do with it. If he wants to change the nature of the Agency, how does he want to change it? Finally, after having said that he wants to change the Agency's nature without destroying it, he said that all was not well with the Agency today, because it was administered by the Minister of Industry, Trade and Commerce (Mr. Gray). I really fail to understand why anyone would bother stating, first, that they do not want to change the Foreign Investment Review Agency, second, that they want to change its nature, and finally, that if the Agency is not working properly, this is due to the fact that it is being administered by one minister rather than another. That is the kind of double talk we have had to listen to this afternoon.

Mr. Speaker, I would like to get back to the comments I made at the beginning of my speech. If we want our economy to recover, if we want to create jobs on a permanent basis, if we want to see interest rates go down, we must deal with a problem that is undermining investor confidence and preventing us from having confidence in the economy, namely, inflation rates, and in order to bring about a substantial drop in inflation rates, all economic partners, including governments, businesses and private citizens, must reduce their demands on society. Instead of demanding more personal wealth than the economy is able to afford, we must make a concerted effort, as individuals, as a society and as a government, to increase our collective wealth, which will then be redistributed at the individual level in the form of dividends and profits for corporations and also in the form of revenue for governments, which will then be able to reduce their substantial deficits. Bringing down inflationary expectations means greater realism, an increase in individual and corporate productivity, and this positive approach demands that we get rid of the climate of uncertainty and instability caused by inflation, which is slowly destroying the hopes and expectations of all Canadians.