

*Supply*

The Government of Canada and the Liberal caucus have been discussing the economic situation with a view to intensifying the efforts to improve our economic performance and to prepare ourselves for the future. I particularly appreciate the efforts which have been made under the leadership of the hon. member for Trinity (Miss Nicholson) to bring forward ideas and proposals which address themselves to the current economic situation. I have indicated to the House of Commons that I intend to make an economic and financial statement to the House before the summer adjournment. I would hope to make that statement as quickly as possible.

Today the Leader of the Opposition has recommended that that statement be cast in the form of a budget or a mini-budget. Whatever form my statement takes, there is no doubt that the economic situation is serious. The Canadian economy is in recession, a recession which has been much deeper and much more prolonged than any forecaster, government or private, had predicted. Unemployment is extremely high, businesses are in difficulty across the country, high interest rates and high inflation are stifling economic activity and holding back investment.

We are sharing in the international recession into which the United States and the rest of the industrial world have been plunged for many months. It is natural that in these circumstances, and particularly prior to the statement which I intend to make, the Leader of the Opposition should have seized this particular occasion to highlight problems in the economy. Certainly, in these difficult circumstances, there is a clear need for all participants in the economy and all participants in governments, federal, provincial and municipal, to join together as much as possible in seeking economic solutions. I agree with the Leader of the Opposition when he places a high priority on Parliament and the necessity of Parliament working as effectively as possible in order to bring about solutions to the problems of the country.

When the Leader of the Opposition spoke last March, the day on which we dealt with parliamentary reform, he made an observation which certainly attracted my attention. He said:

Our country has changed tremendously since Confederation, and its problems are more numerous and often more complex. We cannot solve today's problems with 19th century tools. There must be a way to agree on limiting debate.

That is not the point which I particularly wanted to highlight in the paragraph; rather, it was the concluding line which states:

Common sense and mutual respect must prevail if differences are to be resolved.

I would hope that I would conduct my remarks with respect for the views of the Leader of the Opposition, if not agreement with those views. The opposition has been demanding action and solutions. Last week when the Prime Minister (Mr. Trudeau) and myself returned from the Versailles Summit, the Leader of the Opposition and hon. members opposite recited a list of problems and called upon the government to take action. They then discounted, and indeed again today the Leader of the Opposition discounted, the international sources of our difficulties. They suggested that by pressing the United States to reduce its interest rates, the Canadian government has simply been looking for excuses. I get the impression from

listening to opposition members that they believe there are quick and easy solutions to the problems which face the government and that if only the government would see the light and drop its pride, if only it would abandon the policies to which we give our confidence, then everything would be all right. In a sense, we heard the same views expressed today by the Leader of the Opposition. Withdraw the budget. Withdraw the National Energy Program. Withdraw FIRA. These are solutions which the Leader of the Opposition has advanced.

In referring to the National Energy Program, he has failed to put it in a context of falling energy prices and falling demand throughout the world and, in fact, in the context of what is happening in the country of our neighbour, the United States. For example, I do not think the National Energy Program is responsible for the current situation in the United States drilling industry. What is that industry like today in the United States, not in Canada, not influenced by the National Energy Program? The fact is that in the first quarter of 1982 the drilling industry in the United States suffered its most significant downturn in activity since 1970. The drilling industry experienced a drop of almost 25 per cent in its activity in the first quarter of 1982. That had nothing to do with the Canadian National Energy Program.

I could go down the list and say to the Leader of the Opposition that he must be much more forthcoming and precise if he is to make a contribution to the debate which is now raging in the country and if he is to make a contribution to the solution that we are seeking. I have heard him say nothing about monetary policy, which is a main influence on our economic activity. I have heard him say nothing about incomes policy, which is so critical to our situation at the present time. I have heard him say very little about fiscal policy except to say that we all ought to engage in the laudable effort of expenditure restraint. Of course, I agree with that. Members of Parliament have an opportunity, when they examine the estimates in committee, to propose reductions if they wish. They can suggest what may be done to bring about expenditure reductions, not in a punitive, political way to embarrass the government, but rather in a way in which the objectives set by the Leader of the Opposition can be achieved.

● (1600)

It is open to members of the opposition, as it is to members on this side, to say, as an hon. member said the other day, that maybe we ought to review our foreign aid program. Maybe we ought to have a big drop in our expenditures in foreign aid. However, I heard not a word from the Leader of the Opposition as to where he would make these cuts and in what programs. Therefore, it is my appeal to him to give some precision to his proposals and to his ideas, which have been sadly lacking this afternoon in his statement. He would give the impression that the unemployment that exists in Canada is entirely due to wrong-headed government policies.

**Miss MacDonald:** Hear, hear!