

### *Supply*

ment growth or where there is only seasonal employment do not have the opportunities to develop skills that will enable them to become full participants in the work force. Even in times of very high employment in this country there has always been a group of people for whom special measures must be provided to help them deal with the problems they face.

Above and beyond that, Mr. Speaker, a large number of industries in the country are undergoing adjustments. There have been major changes in technology and in the nature of the product that they provide. It does not help for people to stamp their feet, gnash their teeth or bang shoes on the desk and shout, "Do something; throw money at the problem." That is what we often hear from our friends over in the corner. But we must understand the dynamics of a different industrial society, Mr. Speaker. Changes are taking place in the automobile industry and in the forestry industry which require new skills and a whole new generation of Canadians trained to work in those industries.

In the meantime, however, we must provide support for workers dislocated by those changes. We cannot, and should not, stand in the way of progress, but certainly we must help those affected by it.

Some of the unemployment in Canada occurred because industries cannot sell their products and people cannot sell their goods and services. There has been a great deal of discussion about the trouble in the automobile industry, but the fact is that about 80 per cent of the automobiles we produce are sold overseas. If the North American car industry has not been able to adjust to competition, for technical or other reasons, then that is a major problem and the industry is being reorganized to deal with it.

This is not the fault of the government. No advantage is to be gained by pointing the finger or looking for a scapegoat. The unions, businessmen, employers and government must work together to find solutions. We must get away from this confrontationist, conflict-ridden attitude which is fermented by hon. members for their own political reasons and try to build a society that works to find solutions. These are the problems we face as we begin work to change attitudes.

It is important to address the question of how we are trying to come to grips with these issues. The first major contribution was the November budget.

**Some hon. Members:** Oh, oh!

**Mr. Fennell:** The Canadian tragedy.

**Mr. Axworthy:** Horse laughs usually derive from ignorance and I think that is what we are hearing, Mr. Speaker. I am trying to explain how the budget responded to one of the fundamental economic problems faced by every country, the high rate of inflation. An essential element of the battle is to bring interest rates down and thus create demand. This cannot be done artificially. Hon. members can argue until they are blue in the face but interest rates cannot be brought down by artificial measures. That can only be achieved through the market economy in which we work. The best way to bring

interest rates down is by reducing the demand of government borrowing on the capital markets.

We can see an indication of the improvement that is taking place in the declining rate of inflation. For the three-month period ending January 31, 1982, the inflation rate in this country was 8.25 per cent. In other words, the forces of inflation were beginning to ease and, as a result, interest rates were falling. That is a major contribution to a solution of the problem and it is a way to build demand again, rather than through the kind of gimmickry that is being used by hon. members opposite. Government fiscal and monetary powers can be employed to reduce demand.

We have heard a great deal about providing stimulus for the creative, entrepreneurial energies of Canadians, but there is a curious contradiction in the comments of the Conservative Party on this subject. Members of that party like to see themselves as the paragons of free enterprise in Canada. "Let the free market forces flow," they say. That is what the budget did, Mr. Speaker. The reduction in the marginal tax rate put more money in the hands of the risk-takers and entrepreneurs; as well, there is less direction as to where money shall be invested.

If the Leader of the Opposition is saying that he does not believe we should put more cash in the hands of the entrepreneurs, then he had better face his caucus again and have another rendering of conscience. I think a lot of members of his caucus would have to agree with what I have said—that if you give more freedom to the use of cash and capital and let people make their own choices, they will invest in the area that is most productive. That is what the budget sought to attain by bringing the tax rate down and putting more money in people's hands. If hon. members opposite claim that the budget does not stimulate the economy, then they have not read the budget but are relying on their imaginations.

The budget contained several important measures designed to set goals and objectives for economic development. In the budget paper entitled "Economic Strategy for the 80s", the government proposed a number of initiatives to help facilitate the activities of the private sector and the provinces in the creation of jobs. When those reactionaries over in the corner, who love to pretend that they are progressive, rant and rave about the changes in the railway system, they are basically saying that they do not believe in progress. They do not believe in utilizing the rail capacity of western Canada to help sell our goods and create new wealth in the country. They like to put themselves forward as the spokesmen for progressive measures, yet they propose one of the most reactionary, regressive steps that any political party has proposed in the history of this country. They stand in the way of the creative forces in western Canada which would make new products and increase economic growth.

The hon. member for Regina East (Mr. de Jong) is so locked into the past that he cannot see the future. He is so frozen in his stratified attitude that he cannot reach out to new forces. It is sad, Mr. Speaker, that a party whose tradition has been one of looking to the future has now become so stuck in