

The Economy

prospects for 1983. Second, I wish to inform Parliament and the people of Canada of the fundamental principles that will govern me and my actions as Minister of Finance. Third, I will indicate some additional and immediate actions the Government is proposing to ease further the hardship inflicted on Canadians by the recession, speed economic recovery and enable Canada to take full advantage of the development opportunities that will materialize as the world economy recovers.

Last week the Prime Minister (Mr. Trudeau) reviewed with the people of Canada the extraordinarily difficult situation in which we find ourselves. He did not promise a quick and easy solution because none exists, but he charted a course we must follow to restore our country's capacity to survive economically, in a world where the survival of the fittest has become a rule of life.

The world-wide recession has cut our economy to the bone. We have lost half a million jobs during the past year. Almost a million and a half among us are looking for work. Many others have temporarily given up the search for gainful employment. Virtually no Canadian has been untouched by the recession. In every region of the country, those who have been spared the worst have relatives, friends or neighbours who are struggling to cope with hardship and insecurity—be they unemployed textile workers in Quebec, grounded fishermen in the Atlantic Provinces, idle lumbermen in British Columbia, laid off miners or auto workers in Ontario.

[Translation]

Throughout the country, in union halls and boardrooms, in factories, shops and offices, Canadians are struggling to protect their livelihood, to preserve the basic comforts of their families, and to keep alive their hopes for a better future. All too few will have any respite from this struggle during this coming winter. But Canadians know that recovery is possible and that the next few months will be decisive ones in our effort to turn the economy around. They know that adversity has caused us to set aside our differences and to approach the management of our economy with a growing sense of realism and national purpose, and a renewed spirit of cooperation.

The people of this country recognize that the recession is a global problem. They are all too aware that Canada, as a major trading nation, has been hit more heavily than many other countries. But people also know that we are not simply drifting on the tide of world events. They are also aware that we can mobilize our energies to make Canada a tougher, more resilient country, that we can emerge from the recession in a position to compete, prosper and fully develop our considerable economic potential.

We have made remarkable progress since last June in implementing the 6 and 5 program introduced by my predecessor, the Secretary of State for External Affairs (Mr. MacEachen), to break inflation and lay a solid foundation for a durable recovery. The response of provincial governments and the private sector to federal leadership in this regard has been

effective and broadly based. Inflation, interest rates and mortgage rates are coming down. Our prospects are by no means as bleak as they were at the beginning of the summer.

• (1520)

[English]

Last week Canadians were given by the Prime Minister the strongest assurance that the Government of Canada will not kick the social props from under them and abandon them to struggle alone. This government will not tighten the screws on the economy, cut billions from Government spending, or seek to eradicate inflation by brute force. The Government will continue to act decisively to ensure that the strong and the more affluent among us help the weak and the more vulnerable through these difficult times. As my predecessor said last June:

Solidarity and sharing built Canada. That sharing is what the unemployed, the many firms in trouble, and the thousands threatened by lay-offs now need. I count on the willingness of all Canadians to bear their share of the collective effort to bring down inflation.

I subscribe without reservation to this basic principle of Liberal Government. That is why I am proposing today the reallocation of over \$1 billion from existing spending programs to finance a new employment program, provide more stimulus for the housing industry, and speed up the expansion and modernization of rail capacity in the west. That is why I am announcing arrangements designed to relieve the workers and employers of this country from the full burden of mounting unemployment insurance costs. And that is why I am proposing to Parliament a series of tax adjustments to ease the financial and administrative burden on individuals and on businesses.

I have been Minister of Finance for 48 days now. I must say I have received ten times that many suggestions and proposals. I want to reflect on these and to pursue a good many of them in further consultations. There may be some who believe that an immediate budget is imperative, indeed, who would demand a new budget every three months if the last one has not resolved all of our economic ills. But I can say that in all of the consultations I have had, no one has urged me to bring in an immediate budget, and some have even suggested that I should wait until spring.

I will not be rushed into action for the sake of appearing to act. Many urgent bills from previous budgets are still before the House and must be dealt with. To be sure, other critical issues need to be addressed and decided upon. But I intend to arrive at decisions that are sensible, constructive and durable, and I will take the time that is required to do so.

Since my appointment to this portfolio I have had extensive consultations with business, labour, co-operatives, women's organizations, economists, professionals, provincial Ministers and many others. I am grateful for their views. I have also received helpful advice from Members of Parliament from all parties. I wish to express my particular appreciation for the work of the House committee that has examined the detailed ways and means motions resulting from the last two budgets.