

time we should have more, not less, government spending. That makes economic sense.

Having made that point, I must say I listened to the speech of the Leader of the Opposition with care and there was not one sentiment—and I choose that word with care—with which I disagreed because there is no question in my mind that his fears are genuine. Those expressions of concern about unemployment are the same as those we have expressed in this House. However, I also want to say that in politics and economic policy it seems to me that sentiment is not good enough; the debate in this House, as important as that sentiment is, must also deal with economic policy. Economic policy, as demonstrated even in this debate and certainly by past Conservative governments, is almost exactly the same as we are getting from the Liberal government today.

● (1550)

In the short run, the two questions which are of decisive importance are interest rates, on the one hand, and government spending on the other; and they are related. As recently as Sunday night past, Sinclair Stevens, the man sitting four seats just over to my right here—

Mr. Stevens: "York-Peel".

Mr. Broadbent: —the hon. member for York-Peel (Mr. Stevens), was weighing in heavily against government spending. There he was, speaking through the television set to the people of Canada. He said: "Now, we cannot have more government spending." At least he has the merit of being consistent, if he also has the equal merit of being wrong in terms of what is needed for the people of Canada. In fact, just a few years ago, the same gentleman made the following comment, and I will quote.

An hon. Member: Sink with Sinc.

Mr. Broadbent: Just listen to what the hon. member said in the middle of the twentieth century:

Deficit financing by the federal government must be outlawed by a change in Canada's Constitution that would require the federal government to balance its budget every five years.

That, and I put it bluntly, is economic lunacy, as almost everyone in the modern world knows.

Some hon. Members: Hear, hear!

Mr. Stevens: Tell the Germans that! How about Germany?

Mr. Broadbent: My colleagues in the Conservative Party cannot have it both ways. They cannot demand a budget which would stimulate the economy, which would move us in new directions, which would create new jobs, and still have the old hang-ups and fallacious theories about economic spending by the government.

Some hon. Members: Hear, hear!

Mr. Broadbent: Then there is the related question. The hon. member never did say when they do want government cut-

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backs, which is what the hon. member for York-Peel called for. Did he want a cutback in programs for farmers? Did he want a cutback in programs for fishermen? Did he want a cutback in programs for pensioners? They are the unstated questions which must be followed. It is irresponsible of the Progressive Conservative Party of Canada to call for cutbacks in general and in government spending if it is not prepared to say where.

Some hon. Members: Hear, hear!

Mr. Broadbent: The hon. members to my right should learn that.

I address the next point particularly to the Leader of the Official Opposition, who movingly spoke about all the lay-offs in the manufacturing sector. The question pertains, in my judgment, to the fundamental short-run problem with those lay-offs, 235,000 in manufacturing during the past four months and 1,400 lay-offs which were announced in Montreal and in Hamilton today which are directly related to the high interest rate policy of the government. I have in my hand a number of quotes from the former prime minister, the present Leader of the Opposition. On October 29, 1979, when he was prime minister, he said:

—it was the view of the Governor of the Bank of Canada, concurred in by this government, that the only responsible action open to Canada at this time was to accept, in the intermediate term, an increase in interest rates . . . that is our position, it remains our policy.

That is what the Leader of the Opposition said when he was prime minister. His former finance critic, the hon. member for St. John's West (Mr. Crosbie), repeated that same position just a few months ago on television. Therefore, I say to the Conservatives that they cannot, either in terms of their interest rate policy or in terms of their attitude toward government spending, offer a credible alternative to what the Government of Canada is doing.

Some hon. Members: Hear, hear!

Mr. Broadbent: That is as clear as anything could be in terms of economic policy at this time.

Mr. Hnatyshyn: Why did you support the Liberals?

Mr. Broadbent: I will just let that comment go entirely.

Mr. Stevens: Tell us!

Mr. Broadbent: I say to the Conservatives—

An hon. Member: Because they had a look at you, that's why.

Mr. Broadbent: Obviously, I have touched a sensitive chord because the hon. member, who is no longer a cabinet minister, is calling from the back, behind the curtains, saying that we voted against a Conservative budget which forced the 1980 election because it was every bit as bad as the Liberal budget today.

An hon. Member: Worse, worse!