

When international oil prices rose sharply in the fall of 1973, most countries, particularly those wholly or largely dependent on imported oil, allowed their domestic prices to reflect those fully prevailing in the world market. This is what normally occurs in Canada when the prices of internationally traded goods rise. There are good reasons for allowing this to happen. If a price for a commodity is kept lower in our open market than in international markets, this discourages domestic producers from increasing supplies and discourages consumers from economizing on the use of a scarce commodity.

Speaking of the Liberal government of that day, which is the Liberal opposition of this day, he said:

—it was never the intention of the government to maintain indefinitely the present regime of cheap energy in Canada, while the rest of the world was adjusting to the new realities.

He went on to say:

—we have no practical alternative to continuing a phased adjustment to higher energy prices. This is essential to provide for our future supplies and to conserve the use of this scarce resource.

The finance ministers in that government, at least with respect to the problem of energy and energy self-sufficiency, recognized in 1975 and 1976 that we could never again live in the same regime even though that party today thinks we can turn back the clock. We cannot. What has happened is that there was all the preaching about world prices but no action and, as a result, our exploration went down, our search for new resources went down, and we became captive of the nations that are not so friendly to us.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Nepean-Carleton):** As a result of the neglect of 16 years, Canada must now face up to the reality that is ours. If we want to become self-sufficient in energy, if we do not want to be hostage to misfortune, if we do not want to be subject to the whims of Arabian nations, of Venezuela and other nations, if, in the words of the hon. member for Prince Albert, we really want to be masters in our own house, then the Arabs will not do it, the Americans will not do it, but the Canadians will have to do it, and the Minister of Finance has pointed out the only way we can do it.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Nepean-Carleton):** There is not a person in Canada who wants to pay higher prices for anything. There is not a person in this House or anywhere else who wants to pay higher taxes. Canadians, I believe, are prepared to face up to the truth. I hope this Parliament is prepared to face up to the truth. Let there be no doubt about it from any party or any group in this House, that self-sufficiency by 1990 is our watchword.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Nepean-Carleton):** By this budget we have nailed our colours to the mast.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Nepean-Carleton):** It would be very easy to follow the example of other years, to let the deficit climb, to let us fall further and further into the morass of non self-sufficien-

### *The Budget—Mr. Walter Baker*

cy. I am proud to serve in the same cabinet with John Crosbie because he has challenged Canadians. He has more faith in Canada than that rag-tag, leaderless, unprincipled lot that wants to replace this government.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Nepean-Carleton):** It is the same crowd the country rejected in 1979.

**An hon. Member:** Talk about the budget.

**Mr. Baker (Nepean-Carleton):** The hon. member for Prince Albert said it was time to buy back Canada. He is right, it is time to buy back Canada.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Nepean-Carleton):** It is time we let all Canadians share in the resources of this nation. If we want to be self-sufficient, we have to pay for it. I have telegrams on my desk, and I have received telephone calls from all over Canada today. They are saying to us that this is the right direction for Canada—it is tough, but it is the right direction.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Nepean-Carleton):** They said, "It is time somebody took hold, and the Minister of Finance has taken hold, and thank God for that".

Garth Turner was writing in the *Toronto Sun* today and this is what he said, talking about this budget:

Sure, it's tough. It's what everyone is calling an "austerity" budget. It means most of us will be paying more for almost everything. It assumes the 1980s will be harsh, with higher inflation, more unemployment and slow economic growth. But through all of that, there's a note of realism here. It's nice to hear.

**Some hon. Members:** Hear, hear!

● (2100)

**Mr. Baker (Nepean-Carleton):** Particularly I point out to my friends in the NDP what the writer went on to say. He said:

The single most important thing we heard last night was that fiscal responsibility might, just might, return to Ottawa. Crosbie's pledge to reduce the federal deficit will have sweeping ramifications. It will lower inflation, and therefore reduce crushing interest rates. It will return capital to the private sector for the creation of jobs and the expansion of industry. That, in turn, will help Canada's trade picture and reduce our current accounts deficit with the rest of the world.

That is why I am proud to serve with the Minister of Finance in this cabinet.

**Some hon. Members:** Hear, hear!

**An hon. Member:** What about *The Toronto Sun*?

**Mr. Reid:** What about the *Star* and the *Globe*?

**Mr. Baker (Nepean-Carleton):** Perhaps members of this House should face up to what the people of Canada are facing. He added: