

The Budget—Mr. Sharp

Edmonton West, speaking in the budget debate last year, was less conservative than the hon. member for Don Valley. He wanted to increase government expenditures up to a deficit of \$2½ billion to \$3 billion. The hon. member for Saint-Hyacinthe (Mr. Wagner) said his colleagues were much too conservative, and he wanted a budget deficit of \$4 billion. In a press release issued by the hon. member for Don Valley, commenting on the last annual report of the Bank of Canada he said this on behalf of his party:

There is a growing evidence that the finance department and the Bank of Canada are not seriously committed to creating full employment and are going to shift both fiscal and monetary policy to fight inflation by constraining demand and stalling maximum job creation.

He further said:

—it is nonsense to head towards restraint in fear of excess demand later this year—

This is the hon. member who is now saying that this government is making too much money. I now come to the reversal, the startling about-face on September 10, 1973, in the debate on inflation. The hon. member cryptically asserted this:

We apparently had the incredible situation last year of operating with a deficit in the middle of a high inflationary situation because the forecasts were apparently not correct; we did not know where we stood.

That one I can underline: they did not know where they stood. They still do not know.

Some hon. Members: Hear, hear!

Mr. Sharp: It is important that the people of this country know exactly what the party opposite has been proposing. They are going to make a serious bid for the support of the people of Canada, and this is the record they are going to put before the people and demand a vote of confidence. Surely not.

Some hon. Members: Hear, hear!

Mr. Sharp: Maybe they can go through another rationalization and say the circumstances were different; they can change their minds in a few days or a few weeks and say that there has been a fundamental change in the position. What nonsense.

Some hon. Members: Hear, hear!

Mr. Sharp: As far as I can see, Mr. Speaker, the policies proposed by the members of the party opposite have been pure expediency. They have been thought up on the spur of the moment. They sway backward and forward from a restrictive policy to an expansionary policy, backward and forward in accordance with what they think are the winds of popular opinion.

As a former minister of finance, may I say that the task before any minister of finance is very, very difficult. May I add that the task before any minister of finance of any country, Canada or any other, in these troubled times of worldwide inflation and political and economic instability is a task of overwhelming difficulty. I want to say to my colleague that he has performed this task with great skill and courage.

Some hon. Members: Hear, hear!

[Mr. Sharp.]

Mr. Sharp: If one were to listen to the colleagues of the hon. member for Don Valley who have not tried to make this transition into public life, what are the comments which the economists, who take an impartial and not a partisan view, have made? What do they say about the budget? "Sensible." "Responsible." They may have made some slight changes. There are some things which might have improved it. No economist agrees with any other economist, but a lot are agreeing with the Minister of Finance because he has produced the kind of budget that is appropriate to the circumstances facing this country at the present time.

Some hon. Members: Hear, hear!

Mr. Sharp: The opposition parties can afford to be irresponsible under most circumstances. I suggest they cannot afford to be irresponsible now, however irresponsible they have been in the past. They can talk vaguely about an incomes policy, wage and price controls, fiscal and monetary policies, restraining government expenditures, and then propose big increases in expenditures, tax cuts and balanced budgets. They can talk irresponsibly. That is part of their privilege. However, the Minister of Finance cannot do that. He has to face the country and this House, however irrational some of the discussions may be.

Some hon. Members: Hear, hear!

Mr. Sharp: What he has to do at all costs is maintain confidence both at home and abroad in the Canadian economy. He does not claim, nor does this government, that every decision has been exactly right. That would obviously be a very foolish claim to make. What he can claim is that the Canadian economy has survived the shock of world turmoil with great resilience and is today recognized by impartial and well-informed observers at home and abroad as the number one economy in the world, the best managed country in the western world.

● (1600)

We are fortunate in having a Finance minister like the present one who has steered the country through these difficult shoals, because the way ahead for the world is very uncertain. I say now, as Secretary of State for External Affairs, that seldom has there been so much turmoil in the world; seldom have there been such great strains on the fabric of society, no matter where one looks. The worst possible approach to Canadian policy in these circumstances is to take a rigid doctrinaire position such as is being put forward now—though this has not always been the case—by members of the New Democratic Party. On the other hand, it is even worse to have no policy at all—

Mr. Diefenbaker: You speak with authority on that.

Mr. Sharp: —or one which bends to every passing wind of popular notions, as in the case of the official opposition.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the minister, but his time has expired. If the House agrees, he might be given a few more minutes.

Some hon. Members: Agreed.