

*Election Promises*

As I indicated both on that occasion and in the subsequent election campaign, several members who are now ministers of the Crown supported this course of action, namely, to control our own interest rates and particularly to lower them in order to stimulate the economy and reduce taxes. The government has done none of these things.

You may ask why we present this motion today. It is not done in jest, Mr. Speaker; it is not done to be glib; it is done because all the circumstances that warranted the motion in December have compounded in their nature, have worsened in their circumstance, so that today the motion is even more warranted than it was before Christmas.

We have massive unemployment. According to Statistics Canada there are over 900,000 unemployed men and women. In real figures, if we include all those, young and old, who would like to work but are not counted in the statistics, there would be more than one million unemployed.

Plants are closing down in almost every part of Canada but particularly in the province of Ontario. Nine out of ten recently unemployed Canadians are in that province alone. Farm incomes were earlier predicted to decline by some 11 per cent in 1980 but more recent predictions suggest that they will be worse than that.

In the first quarter of 1980 there was a record number of bankruptcies of small businesses. In terms of economic indicators, there was negative growth in the first quarter of 1980. Forecasts by observers, both inside and outside government, are that the final results for 1980 will show a negative growth as well.

Finally, and of great importance to Canadians wherever they may live, there is what even the United States government is now recognizing as the most serious recession in the United States since World War II. This is bound to have a profound impact on Canada in the months ahead. So I repeat, Mr. Speaker, that what we called for in December and what the Liberals voted for then is required even more today.

What options does the government have? First, they can choose the one which is appropriate for the Liberal party which I shall call the Mackenzie King option—that is, to do nothing and hope and pray that the problem will somehow disappear on its own.

The second option is to worsen the recession by intensifying the Canadian Conservative party policy which is being so ruthlessly and foolishly applied by Margaret Thatcher in England more systematically than even was called for by the Conservatives here. We have seen the results in England—an increase in inflation and, according to figures that were just published today, the highest level of unemployment in Great Britain since World War II. That is the result of option two. So we could opt for the Mackenzie King solution, or the Tory approach which takes us back to the 1920s.

● (1520)

Third, we might recognize the real nature of the Canadian economy and take some constructive, positive government

action. It is the latter that we recommend. We say that we should do the following, and I want to justify it both in social and economic terms today. I hope that the Minister of Finance (Mr. MacEachen) will reply and deal with both arguments.

We say we should cut taxes. We should take other direct stimulative measures and should establish a government controlled low interest rate policy, which I say in this context would ensure that the banks, the oil companies and the department stores pass on those officially established low interest rates.

What kind of action is the government taking. Or, more correctly, what kind of action does it seem to be taking, because it is hard to tell precisely what this government is doing? I think that the government is likely to take the “MacEachen muddle through” approach. This means two steps to the side and one step backwards. In other words, two doses of John Crosbie, on the one hand, and one of Margaret Thatcher, on the other. This is an unbeatable combination if we want to make a bad economic situation even worse.

In this context I would like to say that at least the Tories are honest about their conservatism. The Liberals like to pretend that they are progressive when, in reality, they inflict upon us conservative policy.

If the government takes this approach in everything, including what the minister has said in the House of Commons—he indicated that is what the government is going to do—as surely as we are sitting in this chamber today, the following will be the result in 1980; the economy will get worse, not better; we will have more shutdowns, not fewer; the thousands of young people who will be leaving school—many of them this week—will not be able to find jobs; and the incomes of the farmers of Canada, as the business section of *The Globe and Mail* pointed out yesterday, will take a further “steep decline”.

That is the situation we are headed for in 1980 if the government pursues the policy it has indicated is likely ever since it was restored to office. What is the alternative? The alternative we in this party say is, first of all, to be honest with the people of Canada and to say: “Yes, there are no palliatives in the short run that are going to restore completely full employment, to restore completely the expectations for young men and women that they will get jobs in the short run”. Anyone who is saying anything like that is either dreaming or lying, one or the other.

A long-range solution is required in this country. We are saying that with shutdowns of branch plant industries all across our land, the long-range solution has to be to get Canadian control of Canadian industry. Having said that, and having said that there is a necessity to level with the people of Canada about that kind of industrial strategy that is required here, the like of which has been applied in other industrial nations, I would also say that in the immediate context there are certain important things that can and ought to be done to improve the situation.

First, tax cuts. We are advocating a cost of living tax credit, a form of indexing aimed at those who need it; that is to say,