

Federal Transfers to Provinces

resources, then you know there is something strange and perhaps wrong with what the government is doing. It may indicate that there is a need for change of personnel, political party or whatever.

However, if we are extremely troubled and concerned about the economic challenges in Canada and the world today, surely it is at least useful for us to recognize that the troubles with which we are confronted are not limited to knowing how to combat and recognize those challenges. Surely it is useful for us to know—useful but sad—that unemployment is higher in the United States than in Canada. Surely it is useful to know that unemployment is higher in Germany—that country of economic miracle—than it has ever been since that country was re-established at the end of the war. Unemployment there is twice as high as the historical levels during those years.

We also know that the problem of high interest rates besets these other countries. We know that the problems of the economy are general across the free world and, indeed, extend behind the Iron Curtain to those countries of the Soviet bloc. So we are not confronted with a problem which is inimical only to Canada and indeed to which we alone cannot find solutions. When we look at our employment situation in Canada, for example, and at the amount of unemployment which exists in British Columbia in industries which depend upon American markets for the sale of our forest products, when we see the unemployment which exists in some of the maritime industries which sell their goods to the American market, we recognize that we cannot sell those goods and therefore cannot have full employment and recovery unless there is an equivalent American recovery which enables Americans to buy our goods and make investments. That may sound like a limited and simplistic example, but for an exporting country such as Canada it is a valid one because it applies to the same degree to European markets and many other areas. So I say that the test of how we are performing is whether we are doing as well in combating those problems as other countries which are confronted with these economic problems today.

We are not content with the situation at all. If anything, I personally want to say that I am distressed about the economic situation, but I think we are taking those steps which are necessary to combat our problems and inflation.

Mr. Thomson: A point of order, Mr. Speaker.

Mr. Regan: I will be happy to answer questions at the end of my remarks, Mr. Speaker.

On the question of deficit reduction, it is interesting to see how politicians—Liberals as well as Conservatives, and certainly the NDP—change their stories and point of view a little when they are the opposition as compared to the government. I noticed that the hon. member for Etobicoke Centre (Mr. Wilson) who just spoke managed to pay no attention, from what I heard, to the question of deficit reduction. Yet when the Conservatives were in office and the hon. member for St. John's West (Mr. Crosbie) brought in his ill-fated budget,

he dealt at great length with how important it was to reduce the deficit and he proposed cutbacks in various areas in order to do so. Yet when the Minister of Finance, a man who has had a magnificent and shining record as a social reformer and as a man wanting to implement programs for the benefit of the people, faces the necessity of carrying on policies of restraint to combat the deficit, they then twist it around to make it something very different.

• (1550)

One major difference between the position which has been taken by this government and the position which was taken by the former Conservative government is that it wanted to fight inflation—I will give it credit for that—but it wanted to fight inflation on the backs of the people. That is one difference. Hon. members opposite wanted to cut back on social programs. The government—

Mr. Manly: Has done the same thing.

Mr. Regan: —has carried on its effort to fight inflation in such a way as to see to it that there is no reduction in the funds that are used for the support of social programs. That is quite a difference, and it is also quite a difference from the situation in the United States. I have also to be critical of the Reagan government because of the fact—

Mr. Waddell: Don't confuse the name!

Mr. Regan: —that it has cut back social programs and caused great suffering and loss to the ordinary working people, and the poor people in that country too. That is the difference between the position we have been taking and the position of the Conservatives.

Mr. Manly: They preach and you practice.

Mr. Regan: However, one thing about members of the New Democratic Party is that they do not want to make their words clear here in this House. They speak from the comfort of opposition and without the responsibility of office.

Mr. Waddell: Don't worry, we won't be here very long.

Mr. Regan: The inflation we are attempting to fight harms the people who members of the New Democratic Party purport to represent more than it harms any other segment of society, yet members of the New Democratic Party never come here with any suggestions as to how to fight inflation.

Mr. Waddell: Made-in-Canada interest rate policy.

Mr. Regan: They never come here supporting restraint. They never recognize the necessity of restraint. Instead, they talk about more and more new programs and expenditures. They do so even in these times.

Mr. Waddell: Eliminate PIPS.

Mr. Regan: Members of the New Democratic Party are in opposition and they are able to take such an easy and luxurious position.