

and they are shameful. Perhaps the hon. member can stand on his feet after I have finished.

Some hon. Members: Oh, oh!

Mr. Crouse: It is a shame. And after emptying the public purse, the Prime Minister has the gall to call for personal restraint on the part of the average Canadian.

● (1610)

Following the Prime Minister's questionable performance on television we were given a detailed statement on this measure by the new Minister of Finance, the hon. member for Rosedale (Mr. Macdonald), whom I congratulate on his appointment. According to him, the real danger to our economy lies ahead. These were his words:

As countries like the United States, Germany and Japan pull out of their present deep recession they can expect to enjoy very much higher productivity gains than Canada and the effect would be to widen substantially the differential between our unit costs and those of our major competitors.

I believe I have quoted the hon. gentleman correctly. We must ask ourselves why this is so. Do these countries have more natural resources or more ability than Canada? The answer is no. The situation in Canada is due entirely to mismanagement of our economy by the present government. Our new Finance Minister said the program which he placed before us needs the support of all governments in Canada and of all Canadians in order to break the vicious spiral of costs and prices which endangers the stability of our economy and, indeed, of our whole society.

To my mind, such a statement implies that the government has been living in a dream world ever since the beginning of the 1970s. The Prime Minister and his cabinet remind me of a man who had difficulty providing for the wants—not the needs—of his family; his income took care of his family's needs. Though he lived within his budget, he could never seem to get far enough ahead to take care of the many things they wanted.

Then one day he received a notice from his bank that he was eligible for a credit card. They sent him one and encouraged him to use it in every possible way. He began buying everything his family wanted. The card was like manna from heaven. However, he eventually received a statement of indebtedness and was asked to pay up. It was then that his house of cards collapsed. He became irresponsible, irrational and unpredictable, blaming everyone but himself for his own foolishness. That story applies to the Prime Minister; he need only look in a mirror to see the man responsible for Canada's economic problems.

It was the Conservative party, especially our national leader, which consistently exercised leadership in drawing public attention to the serious, even fundamental damage being done to our national fabric by continuing double-digit inflation. We led the way in calling for strong and direct government action to deal with the problem. Just as consistently, the Prime Minister and his colleagues ridiculed and criticized our proposals, calling them unworkable and unnecessary.

Our position on the evils of inflation has not changed. That, of course, is the major difference between ourselves and the government, members of which have now been obliged to reverse the cynical and misleading position they

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persisted in putting before the Canadian people not only during the 1974 election campaign but since, up to and including the budget of June 23 presented by the hon. member for Ottawa-Carleton (Mr. Turner). We remain convinced of the urgent need for strong and effective national action and leadership on this issue. If anything, the 15 months of ineffective action and non-leadership since the 1974 election makes the need for effective action even more necessary, as it has made inflation itself just so much more difficult to manage.

The main problem facing the government at present is that of its credibility. Speaking in Trois-Rivières, for example, if we look back to June 21, 1974, we find a headline which reads: "Trudeau Continues Attack on PC Policies on Quebec Tour". I shall not burden the record with all he said, but there was one line he repeated over and over again: he continued to criticize Conservatives for their prices and incomes policy, suggesting it would shackle the Canadian economy. Today, the Prime Minister is going around the country saying his policy is the only solution. I ask you, Mr. Speaker: which Trudeau will the Canadian people believe? Will it be the one whose words were reported in the *Halifax Chronicle-Herald* of June 21, 1974, or will it be the one who is running around the country today?

While, as I say, the main problem facing the government today has to do with credibility, I should like to make it abundantly clear at the same time that Bill C-73 and the accompanying policies announced by the Prime Minister and his colleagues do not constitute our program as we advocated an incomes policy during the 1974 campaign. There are important, if not fundamental, differences between the program we advocated then and the program which the Liberals have announced. These differences extend to policy as well as to detail.

Mr. Guay (St. Boniface): You are perfectly right.

Mr. Crouse: One basic difference is that we never presented our proposals as an answer in itself to the inflationary threat. Fundamental to our approach—and the record makes this abundantly clear—was the need to accompany a short-term controls program designed essentially to break inflationary expectations with other, and equally important measures to deal with deep-rooted causes of inflation. In that context we placed, and continue to place, major emphasis on the need for more appropriate fiscal and monetary policies on the part of the federal government. Leadership by example, which is the only kind of leadership people will understand and accept in the long run, does not simply mean holding the salaries of federal civil servants within wage guidelines or postponing the purchase of new carpets or furniture. If the call is for the nation to live within its means, the government, in order to set an example, must abide by the same injunction.

The record of the government in this respect is virtually the opposite of what is required. On the monetary front, for example, the Bank of Canada, with the government's approval, has consistently permitted increases in the money supply well in excess of any increase in real or even inflated economic growth. During the past 12 months alone, that increase has amounted to more than 15 per cent. Indeed, if one wished to look for sources of fuel for