

*Election Promises*

comfort itself, and that is the simple fact that between December and the formation of the new government there was something called an election. It was not simply that this House spoke on December 13. It was the people of Canada who spoke in a democratic election on February 18 and rejected the policies of the hon. member for St. John's West, rejected the budget of December 12 and called for change. I think it is all very well to concentrate on what may have happened here in December, but what happened here in December is less important than what happened in the country from December to February.

I want to talk briefly about the position that the Liberal party took when it was in opposition during that Conservative government period. The Liberals in opposition favoured stimulus. The Minister of Finance (Mr. MacEachen) has denied it today, but I refer him to speeches made by the Liberal finance critic at that time in the finance committee, in which, regrettably, the Minister of Finance has not yet appeared, but he will. He was not there during the period we were discussing interest rates. In speeches in the House made by the financial critic for the Liberal party he called for a new budget, and a stimulative budget. I refer the minister in particular to *Hansard* of October 29, 1979. I think it is outrageous for the Minister of Finance to come here and pretend something which everybody knows, and that is that while the Liberals were in opposition they were calling for stimulus. They were criticizing the Conservatives for their policies, and they were criticizing them precisely because the Conservative budget focused exclusively on the deficit and did not deal with the problems of jobs, inflation and growth. That is precisely the reason given by the financial critic in his speech when he spoke in the budget debate, in which I had occasion to speak myself.

The Minister of Finance says today that the Liberal party was never in favour of lower interest rates. Where was he when members from his caucus not only in this House but also in the finance committee discussed for two months the monetary policies of governor Bouey and the policies of the minister of finance at that time? If they were not calling for lower interest rates, the minister and I were in two completely different places last fall, because that is precisely what his party was calling for. His party was criticizing the Tories because they tied interest rates directly to United States rates. If the minister were to look through *Hansard* or the reports of the committee, he would find that that is precisely the position the Liberal party took at that time.

Now the Liberals are in power again. That is a verdict of the people. It is not a verdict with which I was happy at all, but nevertheless it is a verdict one has to accept. I think any theory that there was some kind of conspiracy at work or that the Tory party was robbed unfairly or prevented by some nasty conspiracy from carrying out something the Canadian people wanted it to do is such a fatuous and absurd theory that it hardly deserves refutation. The fact is that those kinds of policies and that message of meanness which was associated with that budget was something which rankled the Canadian public. It stuck in people's throats, and they rejected it. That is

a hard fact. I know it is not easy to accept. It is not easy to accept the judgment of a people on an administration which must have been one of the most incompetent, inept, unfair and stupid administrations we have had for many years. The fact that the people rejected that administration, just as they rejected the Liberal administration in May, is not something which can be blamed on the New Democratic Party. I know that is the theory that the Leader of the Opposition would like to espouse. He would like to say that somehow the New Democratic Party—he has conjured up a genie—is somehow responsible for this terribly unfair act and that if the Conservatives had been allowed to carry on in power, everything would have been different and everything would have been all right. The theory, as I say, is so fatuous as hardly to be worthy of refutation.

However, the Liberals are back in power again. Interest rates have gone through the roof. The bank rates charged by the Bank of Canada have floated down, but I think it is important to remember that it is what the consumer and the small businessman pays that really counts. As the Minister of Finance will know, the consumer is paying for his car at over 16 per cent. The small businessman is frequently paying even more than that, depending on his credit rating, on a demand loan. That is the rate that matters to the Canadian people. It is not the treasury bill rate or even the rate that is charged by the Bank of Canada that is the effective interest rate. The effective interest rate, the one that matters and the one over which this government has no control because they have rejected the very idea that they should be investigating them, is the rate which goes to the consumer, the rate which goes to the person who is buying a house or a car. That is the rate which matters.

● (1720)

Tax increases are being considered in order to reduce the deficit. It is quite the contrary of stimulus, quite the contrary of the position which the Minister of Industry, Trade and Commerce (Mr. Gray) took when he was in the opposition. I am so sorry that today he is not participating in this debate because it would have been a delight to hear from the minister how he feels about the policies which are now being followed by the Liberal government. He has been notoriously silent on these issues. He promised us he would resign when the rates went up. He then found it in himself to change his mind. I am sure he has changed his mind on many other things too.

The minister has rejected stimulus and, if I understood him correctly today, he has rejected it again, although he now admits that the growth forecast of 0.5 per cent for 1980 is too optimistic. It is too optimistic when we know that real income is falling and fell in 1979; when we know that more and more Canadians—over one million Canadians—are out of work; when we know that sales are down, that retail sales are falling dramatically in Canada just as they are in the United States; when we know that capacity-utilization is dramatically down to 80 per cent in some industries and down to nearly 65 per cent in the construction industry; when we know that inventories are up, and we are, in short, in a recession.