

The Budget—Mr. Smith

media. While I do not mean to be critical of individual members of the media—

Mr. Munro (Esquimalt-Saanich): You are safe. No one is up there.

Mr. Smith:—I think there are collective impressions which are sometimes left in the minds of Canadians that sudden solutions do exist. You will see a build-up of hype about a certain event which would be taking place. For example, there was the annual cabinet meeting up at Meach Lake a couple of months ago. If you were to listen to the media and political pundits around Ottawa who started reporting on that Meach Lake meeting for about a month before it took place, you would get the impression there was to be a war council there which would receive wisdom from on high, and that they would suddenly come out with a new plan to solve all of Canada's problems. We saw all that hype being built up for that event until it finally occurred. Once the meeting was over we stayed on track, we continued to fight against inflation, and there is a big letdown from the expectations.

Another example concerns the Versailles conference. For several weeks leading up to that conference we got the impression that all the world's economic problems would be resolved at Versailles. I realize that members of the media all have a job to do and some would like to make their stories as dramatic as possible in order to have them circulated. However, the build-up does not reflect the real world. It is Alice in Wonderland.

The same thing happened last week as soon as we heard there would be a budget last night. All this hype took place again. I recently watched a television program on which there was a panel. One member of this panel was a small-business man. He was asked, "Would you like lower interest rates so it would be easier to operate your business?" He said, "Yes, I sure would." Then there was a home owner who was having difficulty meeting his mortgage payments. He was asked, "Would you not like it if your mortgage rates were a little lower so you would be able to carry on with the payments on your house?" He said, "Yes, I sure would." An unemployed person was then interviewed. He was asked, "Would it not be great if you could get a job out of this budget?"

Mr. Epp: And feed your family.

Mr. Kempling: What is wrong with that?

Mr. Smith: Who would not want that? The Minister of Finance is a decent man. He is a man of compassion who cares about Canadians. He has been here since 1953.

Mr. Nickerson: Too long.

Mr. Smith: He has given his life to Parliament and Canadians to try to improve their lifestyle. To listen to members opposite—be fair—you would get the impression that the Minister of Finance eats a bowl of nails for breakfast every morning, perhaps across the table from Mr. Bouey, and says, "What mean things can we do today?"

I ask hon. members opposite to be practical and fair. Do you not think that politicians like to be popular? What politician does not like to be popular? What politician would not like to be responsible for actions which would have everyone come and wave palm branches for him as he walks by. Everyone would like to do that if possible, but it is not responsible politics or responsible government. Do you not think that the Minister of Finance would like to wave a wand so that interest rates would go down? Do you not think that he would like to be able to push a button to decrease unemployment? Do you not think he would like to be able to simply pass a bill which would reduce the deficit?

The minister would like to see businessmen have lower interest rates for the operation of their businesses. He would like to see lower mortgage rates for home owners as well as jobs for the unemployed. However, in order to accomplish all of those goals we have to tackle inflation. We must be prepared to be honest and responsible enough in government to make Canadians aware of the reality that unless inflation is brought under control none of those goals will be obtainable. That is the fact, and everyone sitting in the House who is honest admits it and is aware of it. That fight against inflation is exactly what the minister took on as his major target last night.

The first point the minister made last night was the lowering of expectations of Canadians in terms of their income. He set a good example with respect to Members of Parliament since we will be taking a cut. That is acceptable, and I do not think any of us are complaining about that cut. He also indicated that we have to look at the federal government as a whole and the influence that the pay settlements of those in the federal public service have on the rest of the economy. He said that we will have to have a 6 per cent ceiling for the next 12 months and a 5 per cent ceiling for the following 12 months. We will be urging the provincial governments and the private sector to follow that example. Now that is responsible government. It may not be sugar-coated government, it may not be popular government, but that is responsible government, and that is what this minister, this party and this government are all about. This action is not punitive action; rather, it is necessary. We must all put the bit between our teeth, and we must all bite the bullet.

• (2100)

Mr. Huntington: It's all planned.

Mr. Smith: I suspect that the Tories will support that legislation. I may be wrong, but I suspect that they will support it. I do not expect the NDP members to support it. Why will they not support it? The fact is that they are so wrapped up with big labour that they cannot get out of bed with them even when it is on fire, and that is the fact. The CLC and the NDP; the NDP and the CLC—it is hard to get them out of one's mind. It is one group. I am not really sure who the piper is who is playing the tune. One week it may be one side and the next week it may be the other side in that