

*Oral Questions*

freedoms, to doing the things that we respect very much in this country. We will continue to do that in a sensitive way and in a way that respects the interests of the veterans in Canada.

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, the minister says that the veterans have given much to this country. He does not explain why he is asking them to give even more—\$3,000 a year—for the care they are getting from his government.

**Some hon. members:** Shame!

[*Translation*]

**Mr. Gray (Windsor West):** Mr. Speaker, I want to quote from page 3 of the Budget papers:

The economy is in a period of slower growth. That is not surprising. Nor should we try to avoid it.

The minister seems to enjoy the fact that he is forcing the economy into a recession. He has announced increases in interest rates and in the unemployment rate. My question is, why doesn't the minister admit he is forcing our economy into a recession that Canadians do not want?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Leader of the Opposition is again demonstrating that he has his head in the sand.

**Some hon. members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** We feel that it is important to be frank with Canadians, to be realistic about the economic outlook and to recognize that we must go through a period of slower growth, but a period of growth nonetheless. There will be a continued growth in employment during this period ahead.

We believe that it is important, though, for us to have this period of slower growth in order to get on top of the inflation problem that we have been suffering from for the last couple of years. My hon. friend probably disagrees with that because that is exactly what the government which he supported in the late 1970s did. It ignored the problems of inflation and the deficit.

What happened? We had unemployment of 13 per cent. We had interest rates of 20 per cent plus. We had inflation of 13 per cent plus. It was a disaster for the country.

Surely my friend can understand from the lessons of the past and remember the lessons of the past. These are the things that we are trying to avoid, and we are going to avoid them with the policies that we are following.

**Mr. Brian Tobin (Humber—St. Barbe—Baie Verte):** Mr. Speaker, my question is directed to the Minister of Finance. I want to assure him that Canadians are not going to forget the lessons of the past.

In the last election campaign the Liberal party said that if re-elected the Conservative government would cut health care, cut education funding, cut regional development and increase taxes.

The Minister of Finance was pushed before the cameras during the election to call the Liberal leader of the day and this party liars for scaring Canadians.

Mr. Speaker, the truth is in this budget document. The Minister of Finance is closing hospital beds, is increasing tuition fees, is terminating regional development programs—

**Some hon. members:** Oh, oh!

**Mr. Tobin:** —is forcing tax increases on the provinces.

Why does the Minister of Finance not admit that this budget, this betrayal of Canadians, is not a blueprint for prosperity? It is a battle plan for war with the provinces and the victims are going to be the sick, the elderly, the unemployed, shamefully our veterans, our native people, our nation's youth and Canadian taxpayers.

**Some hon. members:** Oh, oh!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, in the elections of 1984 and 1988, Canadians did not forget the lessons of past, and that is why they elected this party as the government of Canada.

**Some hon. members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** They elected this party as their government because they could trust this government to face up to the problems and not try to shuffle them aside the way my hon. friend says we should do it.