

The Address—Mr. MacEachen

Mr. MacEachen: Our latest forecast is that the economy will grow by only one half of one per cent.

Mr. Stevens: Under the Liberals.

Mr. MacEachen: Growth in output is thus expected to be marginally weaker than forecast by my predecessor in office.

Mr. Crosbie: Where is Herb Gray when he is needed?

Mr. MacEachen: This downward adjustment is common to most private sector forecasts and has occurred in spite of the fact that the economy is no longer faced with a massive tax increase.

An hon. Member: Not yet, but it is coming.

Mr. MacEachen: The impact of higher international and domestic interest rates, together with revisions in the United States outlook—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. minister but the time allotted to him has expired. He may continue only with the unanimous consent of the House.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I just want to say to you, sir, and to the Minister of Finance (Mr. MacEachen) that what he is doing tonight is an abuse of Parliament and the process by trying to bootleg a budget address into the throne speech.

Mr. Deputy Speaker: With all due respect to the hon. member—

Mr. Baker (Nepean-Carleton): May I finish my point of order, Mr. Speaker?

We are prepared to allow the minister to complete his remarks notwithstanding the contempt which he has shown to Parliament. But I want to serve notice on you now, sir, that I intend tomorrow to raise a question of privilege with respect to what I think is a very questionable parliamentary practice.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The hon. member for Nepean-Carleton (Mr. Baker) and the hon. member for St. John's West (Mr. Crosbie) have given notice of their intentions to raise questions of privilege. It seems to me that a question of privilege can only be raised at the appropriate time, that is, after the remarks of the Minister of Finance have been made to the House.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The Minister of Finance has asked for unanimous consent to continue his remarks. Do I interpret the comment of the House leader for the opposition to indicate that unanimous consent is granted?

Mr. Baker (Nepean-Carleton): Yes, Mr. Speaker. That is what I said, on that condition.

Mr. Clark: That is what he said.

Mr. Trudeau: Getting tough there, Joe.

Mr. MacEachen: Mr. Speaker, I thank the hon. member for Nepean-Carleton (Mr. Baker) for permitting me to continue my remarks beyond the 30 minute expiry limit, but I would point out, merely to show that I contest his view, that there are ample parliamentary precedents for the course of action which I am following tonight, and that indeed I have to go back no further than the precedent of his colleague in office to justify my course of action tonight.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I believe there is unanimous consent for the minister to continue his remarks. I am not aware that there is a question of privilege before the House at this stage.

Mr. MacEachen: Mr. Speaker, may I continue my comments on the expected growth in the Canadian economy?

The hon. member for York-Simcoe (Mr. Stevens) has suggested that the slow growth forecast is due to the accession of a Liberal government.

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member may have his own view on that, but I would like to remind him that the growth forecast which I am indicating tonight for the economy for 1980 is not much different. It is marginally lower than the forecast which was given to the House of Commons last December by his desk mate.

The impact of higher international and domestic interest rates, together with revisions to the United States outlook, especially in the housing sector on which Canadian exports depend heavily, have been the major factors leading to downward adjustment in most forecasts of the performance of the Canadian economy for 1980.

The unemployment rate is now expected to rise to an average of about 8 per cent. This figure is slightly lower than the forecast in the December budget, reflecting continued strength in employment growth over the past few months.

The consumer price index is projected to rise by 10 per cent. This, of course, is less than the forecast increase in the December budget because we are not subjecting Canadians to the heavy excise on gasoline.

Some hon. Members: Hear, hear!

An hon. Member: Saddle our children with the problem.

Mr. MacEachen: The increase in the price deflator for gross national expenditure is expected to be about 9.5 per cent. Taken together with an increase of one half of one per cent in real gross national expenditure, this will yield an increase in the nominal value of the GNE of around 10 per cent.

During 1980 the main areas of strength in aggregate demand will be in consumer expenditures and investment. The volume of consumer spending is projected to increase 2 per