

*Oral Questions***ORAL QUESTION PERIOD***[English]***THE ECONOMY**

**Hon. Jean Chrétien (Leader of the Opposition):** Mr. Speaker, I would like to ask a question of the Prime Minister.

This House adjourned almost five months ago. During the time we were not here all members of Parliament went to their ridings. I visited probably 150 different ridings, and I have never seen the situation so bad in the country. I met with fishermen, farmers, blue collar workers and office workers who are completely desperate, small business people who are 45 to 55 years of age who have lost their businesses, not finding jobs and completely desperate because they see their daughters and sons coming out with higher education who have no hope of finding a job either.

I would like to know from the Prime Minister when this government will take the situation seriously, bring down a budget and tell Canadians that they can have hope in Canada because it is absolutely desperate out there today?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, obviously all of us are preoccupied by the economic situation, both here and elsewhere, because as a trading nation our prosperity depends a great deal on economic strength with our trading partners and that has not been the case for some extended period of time. I share some of the concerns mentioned by my hon. friend.

Some of the encouraging points to register for all of us are that both the OECD and the IMF have recently indicated that Canada will have the strongest rate of economic growth in 1993.

**Mrs. Campbell (South West Nova):** Canadians.

**Mr. Mulroney:** My hon. friend says Canadians. With inflation at 1.3 per cent, this is now the lowest in the industrialized world and that is a very important contributor for economic growth. Real GDP grew at an annual rate of 1.1 per cent in the first quarter and .7 per cent in the second quarter. Employment rose by 64,000 in the

last six months. I think that there are beginning to be some important and promising signs of economic renewal.

Where I have to disagree with my hon. friend is where he said that he had never seen the situation so bad in the country. He was a minister in the government in 1981 when interest rates were 22.75, inflation was 12.9 and unemployment was 11.7. That was the worst economic record in the history of Canada.

**Hon. Jean Chrétien (Leader of the Opposition):** It is unbelievable that the Prime Minister sees no problems.

There are 1.6 million Canadians who want some action from this government. He tells us today that we are doing well. We were the first to go into a recession and we will be the last to get out of the recession. He gave us some good news. The Minister of Finance was completely wrong in his analysis of the future economy of Canada. All his predictions have been wrong.

When will we have a budget so that Canadians can have hope again and have the real facts, not dreaming in Technicolor like the Prime Minister?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my hon. friend says that the Prime Minister said that he sees no problems. Quite the contrary.

• (1420)

I just said moments ago that indeed there are troubling signs that we are all working to correct. There are also encouraging signs that my hon. friend will want to factor very much into his statements.

For example, trade with the United States is increasing. Our productivity gains are substantial, up to 3.5 per cent. Productivity gains are the only way that we can establish real and new genuine wealth. Our unit costs are down, making Canada more competitive. We are having greater access to international trading markets.

These are encouraging signs. They are not a panacea, but they are encouraging signs. We are following an economic program which the IMF and the OECD indicate will structurally reform Canada's economy to make it more competitive, thereby creating more jobs. That is the program we are pursuing, and we would be