

*Adjournment Debate*THE BUDGET—EFFECT ON MIDDLE-INCOME TAXPAYERS.  
(B) ECONOMIC FORECASTS

**Miss Aileen Nicholson (Trinity):** Mr. Speaker, on March 13 I asked the Minister of Finance (Mr. Wilson) a question with respect to a budget document entitled "The Canadian Budget in Perspective". This document was not included in the package of budget documents released on budget night, February 26. Its existence came to light a couple of weeks later, at which time it was learned that the document had been specifically prepared for distribution from Canadian posts abroad. It provides a certain perspective on the Budget and conditions in Canada but not at all the same perspective as that given to Canadians in other budget documents.

● (1820)

Canadians were treated to a grim-faced Minister of Finance (Mr. Wilson) who opened the Budget Speech with the following statement:

My message today is a serious one, and in many ways not pleasant.

However, statements of this tone and tenor were nowhere to be found in the document prepared for distribution overseas. By contrast, that document is determinedly upbeat and self-congratulatory. It is a slick and obvious selling job and an unabashed effort to substitute style for substance.

The document prepared for distribution overseas brags about the following:

In many key respects the Canadian economy is now performing better than the United States.

We were not informed of this in the Minister's Budget Speech, nor were Canadians told, as were the foreign readers of this document, the following:

On the basis of economic assumptions consistent with the U.S. Administration forecast, the . . . growth in Canada would be such as to balance the Budget by the end of the decade.

There is not one word in the Budget Speech made in this House about a balanced Budget. In fact, according to the Budget Speech, Canadians can look forward to a \$22-billion deficit by the end of the decade.

In the Budget Speech, Canadians were also presented with the following:

—the truth about our financial problem. The billions we can save through better management are not enough to resolve Canada's financial problems.

That statement appeared on page 8 of the Budget Speech yet this great truth does not appear anywhere in the perspective document prepared for the international community whose confidence the Government is so transparently courting. In fact, I am not sure that the word "problem" appears in this document at all in connection with anything the Government has done or will do.

Whereas the Budget Speech told Canadians that they still have a tough row to hoe, the perspective document would have the reader believe that we have already turned the corner. On page 2, it says the following:

The government's expenditures, deficit, and debt have all been restrained significantly.

On page 6, it says:

The economic recovery can be expected to continue . . . The prospects for the expansion continuing in Canada remain good . . .

There are a couple of interesting discrepancies. The issue of federal-provincial transfer payments is an extremely sensitive one for Canadians. From the Government's previous economic statements, we know that transfer payments are to be cut by \$2 billion. There was not one word about that in the Budget Speech; however, in the perspective document, we see that reductions in transfer payments to provincial Governments for health care and post-secondary education are listed among the Government's so-called efficiency measures on page 6.

Then we might turn to the question of the closing of Canadian posts abroad. We might expect that to offend some potential international investors so, not surprisingly, it is not mentioned in the document that purports to sell the Budget to that constituency. However, in the Budget Speech prepared for Canadians, we see the closure of diplomatic posts in foreign countries listed among the Government's cost-cutting measures.

The Budget was accompanied by an unprecedented amount of salesmanship. There were special functions in U.S. posts on Budget night, officials were dispatched to sell the Budget and this document was produced. Is anybody fooled? Are international investors impressed enough with the show to overlook the fact that the entire exercise is based on assumptions that are tenuous at best and inaccurate at worst?

[Translation]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Unfortunately, Mr. Speaker, the Hon. Member for Trinity (Miss Nicholson) is commenting on two different documents which she has not read in their entirety. The same charts can be found on page 9 of the document entitled "The Canadian Budget in Perspective" and on page 4 of the document entitled "Towards A Sustained Expansion: Canada's Economic Prospects, 1986-1991". The same charts can be found in both documents.

[English]

**Miss Nicholson (Trinity):** Ah, but interpreted differently.

[Translation]

**Mr. Vincent:** Charts are charts, Mr. Speaker, they do not change from one document to the other.

Mr. Speaker, I should think it is quite normal to send a summary of the Budget to other countries. It does not have to be as elaborate as the document tabled here in the House. Surely the Hon. Member for Trinity can appreciate that.

What may have thrown off the Hon. Member for Trinity, and perhaps that is where the danger lies, is the fact that we have had an economic statement in November 1984, a Budget in May 1985, and a second Budget in February this year, and every time Members opposite have said: "We are going to lose