

Oral Questions

entirely different and deeply troubled view of the Canadian economy. It forecasts substantially slower growth than does the Minister, a depression in all of the leading economic indicators when compared with his assessment and, more ominously, the Conference Board suggests a return to a full-blown depression in 1985.

Since the information for the forecast was based on the assumption that there would be no significant change in the measures outlined in the last Budget, does the Minister now intend—because it is so vital for the welfare of all Canadians, and he has the opportunity and the time—to change any of the policies to avert the tragic consequences being forecast by the Conference Board?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I fail to see how the Leader of the Opposition can say that the Conference Board forecast is more pessimistic than mine, for the simple reason that I have not put forward a forecast for 1984. I indicated that this would be part of my forthcoming Budget. At that time the Leader of the Opposition will be able to assess whether my forecast is more pessimistic than that of the Conference Board.

Second, I remind the Leader of the Opposition that Conference Board forecasts of the last several months have been away out of line with forecasts of practically every other forecasting agency in Canada or the United States. I remind my hon. friend that the Conference Board of the United States forecast as recently as a few weeks ago a very good year for 1984. In fact it put Canada at the top of the industrial countries in terms of growth and progress in 1984.

I am not surprised, however, with the attitude of the Leader of the Opposition. As a good Tory, he only sees the bad side of things. When the sun comes up in the morning, all he sees is that it casts a shadow.

TAXATION INCREASE—REQUEST FOR REVIEW BY MINISTER

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, I do not think that I have to rise to the defence of the Conference Board which has been wrong, but very infrequently, and right more often than the Minister of Finance. I suspect that that kind of answer is to be expected from a Government whose Prime Minister yesterday did not even have the foggiest idea of what the real rate of unemployment is in this country.

Following his speech of yesterday, at a press conference, and he may have been misquoted, the Minister of Finance stated with regard to personal income taxes and others that are coming onstream: "I don't think the tax increases of the previous Budget will act as a serious brake on the economy". Since those tax increases account in part for the return to recession—and the Minister knows that the Conference Board is an extremely able forecaster—and since those taxes impact negatively upon the situation, and the return to depression or recession being forecast for 1985 by the Conference Board—and the Minister still has time to cause them not to be

imposed—will he review his plans with regard to the imposition of those taxes due later?

● (1420)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I saw a headline in *The Globe and Mail* which referred to personal income tax increases this Fall. None were foreseen or announced in the Budget last year. What was talked about was a 1 per cent increase in the excise tax, the sales tax, the federal sales tax. It was announced, and it was part of the program to finance the Special Recovery Capital Projects, which will mean that hundreds of millions of dollars will be spent this year and next year, as they were spent last year, to advance projects that will be beneficial for Canadians and will create jobs all across the country. I have announced these. I have consulted extensively with various organizations across Canada. I have come to the conclusion that the scenario, or the plan of action, announced in the last Budget remains the right one. I intend to proceed with the measures I announced in the last Budget.

REQUEST THAT MINISTER RECONSIDER POLICIES

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, the Conference Board is suggesting that a stubborn adherence by the Minister to these policies will put Canada and Canadians into the real jackpot of another full-blown recession within 12 months. The Minister has the time and the opportunity to reflect upon this. There will be another 1.5 million Canadians out of work with absolutely no hope for gainful employment unless the Minister changes his mind and changes the course of some fundamental policy options which he has selected.

Will he reconsider some of those options in light not only of the Conference Board forecast but most particularly of the Conference Board statistics of earlier this morning? He has the opportunity to change course. Will he now do it on behalf of the 1.5 million Canadians who are desperately crying out for the opportunity to get back to work?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first, the statement of the Leader of the Opposition would have much more strength and validity if he indicated what change of course he is advocating and what kind of Budget he would want to introduce. Second, his claims for the unemployed, which is a very serious problem, would have a little more validity and credibility if, when we prepared the last Budget, the Hon. Member had made representations other than the one I obtained from him when he was in private business at the time, to deal with an advantage for the rich and a deal which would have benefited him rather than the unemployed.

Some Hon. Members: Hear, hear!

Some Hon. Members: Shame!