the growth in the economy on a more sustained basis throughout 1990 and 1991.

I have gone on at some length about the numbers in past budgets and projections. We can do a number of things with numbers. What I believe these drastic miscalculations demonstrate is the incompetence of this government, not just in predicting—I think that is documented—but also in managing the economy. In fact, it now seems clear that the previous minister, together with the Governor of the Bank of Canada, committed some grave errors in the past year. In last year's budget the Minister of Finance promised that strong economic growth would be secured. He said:

• (1040)

> Real output will expand by 3.5 per cent in 1992 and average 4 per cent in the medium term. Real personal disposable income will grow steadily throughout the period. Employment growth will begin in the second half of this year and will strengthen in the years ahead.

We now know that the economy shrank in 1991 and that the government is projecting growth of 2.7 per cent in 1992. Real personal disposable income declined in 1991 and is now projected to grow at a rate of less than 1 per cent in 1992. I believe that the economic difficulties of the past year have been in large measure due to the fiscal and monetary policies pursued recently by this government. Last year's budget has proven to be, as the Toronto-Dominion Bank said at the time: "probably the most inept and destructive budget since the 1930s".

The combined spending cuts and tax increases of the 1991 budget both prolonged the recession and caused the deficit projections to be so far off the mark as to be laughable. In addition, the 1991 budget contained the joint statement of the Minister of Finance and the Governor of the Bank of Canada setting inflation targets. At the time, the inflation targets appeared very ambitious, particularly in light of the minister's promise of "a strong rebound in growth in the second half of 1991".

As we now know, the government actually exceeded the inflation targets, causing severe and potentially lasting harm to the economy in the process. The fact that the government overshot its own inflation targets explains a good deal about why the recovery, if you can call it that, has been so pitiful and why the Canadian dollar has remained so high.

The finance committee recently completed the study of the mandate of the Bank of Canada. In the course of that study, we heard a great deal of expert opinion on monetary policy. While our committee recommended against a narrowing of the Bank of Canada's mandate to limit it to the pursuit of price stability, we definitely agreed that inflation should be kept low. To question the monetary policy of the government over the past year is not, I wish to stress, to favour inflation. The issue is how quickly can you reasonably move from high to low inflation.

In January 1991 the year over year consumer price index inflation rate stood at 6.8 per cent. The budget, on the strength of the joint statement of the governor and the minister, foresaw an annual inflation rate of 5.6 per cent in 1991 and 3.2 per cent in 1992. The actual rate for 1991 was 4.1 per cent and for 1992 it is now projected at 2.7 per cent.

The inability of the government to moderate monetary policy soon enough to avoid causing such rapid disinflation, indeed in some sectoral prices deflation, has I believe caused the recession to be worse than what otherwise would have been the case, aggravated the deficit and has cost the jobs of tens of thousands of Canadians.

Our new minister inherited a mess. Last year's budgetary stance proved to be based on wrong assumptions, thus making the recession longer and deeper than it might otherwise have been. Any relaxation of monetary policy was demonstrably too little, too late. That brings us to this year's budget.

Any budget is a chance for a fresh start, but a first budget from a new minister is a chance for a real new beginning. What a disappointment. There is nothing here to suggest that the government has in any way repented of its past and embarked on a new road with renewed vigour. This is the tired budget of a tired government, perplexed by the problems that confront it, though many are of its own making, showing no vision, no imagination, not even comprehension of the difficulties Canada must tackle before the end of a century.

Why should we be surprised? After all, this is the government that hired a Harvard professor at great expense to tell us that Canadian competitiveness is lagging, that has set up an expensive consultative process to ask Canadians what to do about it, headed by the same