

Oral Questions

question from the Leader of the Opposition, to the effect that the high Canadian deficit has absolutely no bearing on our economic performance. That statement is directly contradicted by yesterday's statement from the Conference Board.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member knows of the Government's concern about the growing inflation that we have known in the last few years and the damage that that has done to industrial economies all over the world. The Hon. Member also knows that we are concerned about the size of the deficit, and I referred to this extensively in my last budget. I initiated a number of steps that would gradually reduce the deficit. However, at the present time all analysts in Canada and the United States recognize that for this year, and most likely for next year, the deficit itself will not have a significant impact on interest rates. The source of concern is the medium level of the deficit in the last years of this particular decade, and this issue must be addressed. I proposed a number of steps in my budget that would address this issue.

As the Hon. Member knows, a year and a half ago the spread between the Canadian and American short-term interest rates was as high as 4 per cent and 5 per cent, but for the last three months the Canadian interest rates have been lower than the American rates. We have exploited to the maximum the existing room for manoeuvring.

Again, at the International Monetary Fund meetings it was stressed by representatives from almost every country that it was important for the United States particularly to aim at reducing its deficit in the medium term, and I am confident that the U.S. administration will want to address this issue.

Mr. Siddon: Madam Speaker, the Minister of Finance seems to defy the credibility of the Conference Board of Canada in that reply. It is evident that the Government merely follows the trends and projections established by Statistics Canada analysts and others.

GROWTH RATES IN CANADA AND UNITED STATES

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I would like to ask the Minister, who is so confident that Canada is moving in the right direction, why yesterday's Conference Board report shows that growth in Canada will fall considerably below that of American growth for the next five-year period. That indication defies the answer he gave to the Hon. Member for St. John's West a few moments ago. Growth in Canada will be less than 1 per cent, while it will be 3 per cent to 6 per cent in the United States during the next five-year period. The unemployment rate in Canada will be—

Madam Speaker: Order. This is an abuse of enumerating statistics. These preambles are simply too long. I cannot allow them to go on. Ask the question immediately.

Mr. Siddon: Madam Speaker, does the Minister concur with the projections of the Conference Board of Canada, or will he

continue to mislead the House by citing out of context the trends to which this report points?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the best answer I can give to the Hon. Member is to refer to another statement issued by the Conference Board last week, I believe. That statement included a survey of the 18 main forecasters in the country who have arrived at different conclusions than the conclusions arrived at in the statement issued by the Conference Board yesterday. The Conference Board statement is only one out of 19 forecasts. It is one that is very much on the low side and it does not correspond to our own forecast.

Our own forecast corresponds very substantially to the forecasts of the 18 other forecasters as indicated by the Conference Board last week. My friend can pick and choose what he wishes. I can tell him that the international analyses made by organizations like the OECD and the IMF also correspond with the forecasts made by the 18 forecasters referred to in my answer. We are trying to look into a crystal ball. The only thing I can say to the Hon. Member is that he should consider the 18 other forecasts which take totally different views from those of the Conference Board.

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● (1440)

WESTERN GRAIN TRANSPORTATION ACT

REQUEST THAT LEGISLATION BE DIVIDED INTO THREE PARTS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Government House Leader that concerns the important piece of legislation that is now before Parliament. As the Minister knows, the Crow legislation contains three key elements: first, the revitalization of port and rail facilities; second the disposition of some 50,000 acres of coal lands in British Columbia and, third, the change in the Crow rate. The Conservative Party has now joined the New Democratic Party in opposing a change in the Crow rate.

I should like to ask the Minister if he will tell the House what conclusion he has reached in response to a letter sent today by our House Leader. The letter said that if the Government breaks the Bill into three elements, we on this side will be willing to dispose of those sections that deal with the coal lands and the revitalization of the ports and rail facilities by the end of next week. Will the Government indicate if it is prepared to take action that will produce results, by accepting that idea?

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I have two things to say in reply. First of all, I am sure that the Hon. Leader of the New Democratic Party wants to respect the Standing Order and apply them. He knows very well that when a Bill is debated in the House he is not allowed to ask questions on the subject. That is the first point. Besides that, if, rather than delaying things this morning and using dilatory tactics by moving the adjournment of the House, thus preventing debate from occurring, he had used