

*Supply*

positions taken by members of the Opposition but very slow to accept what the Minister of Finance and others were saying at that point.

In that same speech in this place, in 1984, the Minister of Finance, speaking then as the financial critic for the Opposition, stated that the 1981 budget raised taxes just at the point when the economy was falling into recession and we should have been reducing taxes.

I wonder what the Minister of Finance thinks about that formula now, as he continues to berate the Senate for being very careful about the implementation of the goods and services tax. Most observers recognize it will take a pretty substantial amount of money out of the Canadian economy at a time when we are going to be in a recession.

The Minister of Finance says we are wrong. I listen to him in this House and in his speeches in Edmonton and other places, when he suggests that the GST bill must come out of the Senate because it is fundamental to his deficit-reduction program and it is fundamental to the government's revenue-generation plan.

Again, relating to the comments made by the Minister of Finance when he was finance critic in 1984, referring to the recession that we had experienced in the early eighties, he said: "We were helpless, as we watched the United States rates climb higher and higher. Canadian rates followed".

Mr. Speaker, that is the point. Canadian rates are not following now, Canadian rates are four and five points above the American base rate. It is an historical situation to see that much of a margin between Canadian and American rates. Yet, the Minister of Finance insists on casting our minds back—he talks about dying before we get to heaven, and so forth—and asks the question as to why the members of the Opposition support the Senate in its fight against the goods and services tax.

• (1520)

I want to point out to the Minister of Finance that the reason Canadians and members of the opposition support the Senate in this fight against the goods and services tax is because they know the senators who are fighting the tax are right. It is not very complicated.

It is one thing to be selective and to suggest that big brother is right and they are always correct, when in fact, if we go back to the budget wherein the minister set out

his pattern that could lead into a recession, because he was half right, he said that unemployment would go up and growth would slow or else disappear. But he also said that interest rates were going to come down significantly and would average on the calendar year 11.1 per cent.

We were dead wrong on that. As everybody in the country knows, interest rates over this year will be significantly higher than what was projected in the budget.

One could think that perhaps the opposition is guilty of overstating the case, that after five years—because the Minister of Finance celebrated his anniversary in Edmonton, I understand when he made his speech on September 17, and it was six years—you would think, Mr. Speaker, that after six years, the minister would recognize that even friends of the government, people who were extremely vocal in 1988 with respect to the government's performance to that point and what they had projected for free trade, had come out and stated that they are concerned about the economic mismanagement. This is not the Liberal Party of Canada talking about what is happening to our economy.

I quote from the joint statement on the national economy made October 11 by the Canadian Manufacturers' Association, the Canadian Chamber of Commerce and the Business Council on National Issues. They state, "We wish to underline the growing concern within the Canadian business community that domestic macroeconomic mismanagement, persistent fiscal laxity and a failure to come to grips with the magnitude of the competitiveness challenge confronting Canadian industry are steadily undermining Canadians' economic prospects".

We could go on at length and join the chorus of boos across the country with respect to the government's performance on the economy, but I do not think that that serves any useful purpose because it has all been said. Canadians are aware that when people are confronted with problems in their personal life, in their business life, whatever the case might be, the first step toward trying to correct the difficulty or the problem is to recognize it.

I believe that what Canadians want from the Minister of Finance and from the Prime Minister are not statements that this economic slowdown is healthy or that