

ORAL QUESTION PERIOD

[Translation]

THE ECONOMY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Acting Prime Minister.

Throughout the worst recession since the Depression, the government has repeated incessantly that it was not to blame. It repeated that the recession was caused by the world situation and that other countries were also performing poorly.

However, in its 1992 report on competitiveness, the World Economic Forum showed that Canada's competitiveness has fallen from fifth to 11th place. The truth is that Canada's economy fell faster and deeper than in any other comparable country.

How can the Prime Minister deny his responsibility and deny the fact that Canada has the worst growth in goods and services of the industrialized world?

[English]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, notwithstanding the fact that we have experienced a weak world economy, I think everyone should be encouraged by the first quarter results that have just been revealed today which show there has been a growth of 1.7 per cent in the Gross Domestic Product which indicates that there have been four consecutive quarters of positive growth. I think all Canadians should be heartened by that development. At least we certainly take comfort over here, notwithstanding the fact that we would like to see that growth more robust than it actually is.

With respect to the world competitiveness report, I would remind the hon. member that the data on which this report made its finding is stale dated. It is basically based on last year's evidence when Canada's inflation rate was 6.2 per cent, which was the worst inflation rate in the industrialized world. That has improved to 1.3 per cent.

The hon. member should also take cognizance of the fact that the government has embarked upon a very

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aggressive competitiveness and prosperity initiative, some of which we are seeing in the growth figures today.

Mr. Tobin: An advertising campaign.

Mr. Mazankowski: We are seeing a 2.5 per cent improvement in productivity in the first quarter of this year.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Statistics Canada confirmed what 1.5 million Canadians have known for the last two years, that this has been the worst and the deepest recession since the Great Depression.

After winning the 1984 election, the Conservative government launched a budget.

• (1420)

In the government's first budget eight years ago, it said its plan was to foster higher investment, greater innovation and increased international competitiveness. Eight years after announcing that plan, Canada has gone into a free fall from fifth to 11th place in international competitiveness.

In the same budget, the Conservatives said: "It is an ongoing priority of this government to encourage much improved research and development performance in Canada".

How does the Prime Minister explain that eight years after this promise, Canada ranked last in research and development among industrialized nations?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is categorically and absolutely wrong when she suggests that this downturn and this recession has been the worst since the 1930s.

She should know, and I will tell her what statistics will reveal. The peak to trough decline in 1981 was something in the order of 5.3 to 5.5 per cent. The peak to trough decline in this recession is something in the order of 3.6 per cent. That is a remarkable difference.

In so far as her point with regard to competitiveness and productivity, I remind the hon. member to look at the data that has been released today. She will find that the recovery is led by merchandise trade, by export trade and by improvements in our productivity. That should be good news to all Canadians.