

saying that even full compensation in terms of dollars cannot recompense these people for the loss of a way of life. They are rugged individuals who compete with nature, the winds and the tides, often at their personal peril, to go out to sea in order to earn a living. Neither are they afraid of work. They spend days, even months, during the winter and spring preparing their nets and gear to be ready to undertake this precarious operation. With the optimism that all fishermen must have in great measure these men prepare for the fishing season, and I have a soft spot in my heart for them.

Mr. Speaker: Order, please. It being one o'clock, I do now leave the chair to resume same at 2 p.m.

At one o'clock the house took recess.

AFTER RECESS

The House resumed at 2 p.m.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, the old saying goes that adversity produces strange bedfellows. Here in this House we see the spectacle of two parties and two leaders who, in all other circumstances and until the present time, have been at each other's throats, and who fought each other tooth and nail in the past general election and criticized each other in every way possible, desperately clutching each to the other's bosom, engaging in a marriage of convenience designed to make it possible for the government to cling to power for as long as possible and to enable the New Democratic Party to avoid for as long as possible a general election in which, as they well know, they would be squeezed between the present government and the next government to be elected very soon.

Some hon. Members: Hear, hear!

Mr. Hees: While this is going on, we hear pleas from the government benches, in particular from the Prime Minister (Mr. Trudeau), urging that the country and parliament be reasonable, asking the Members of Parliament to allow him to stay in office and deal with the economy of the country despite the fact that for several years the government has proved over and over again that it is completely unable to deal with the economy in a satisfactory way.

But, Mr. Speaker, we are a fair party. We wish to give every proposition a fair and reasonable examination, and consistent with this outlook we intend to take a look at the way in which the government has handled the economy in the months since its last budget was presented. Mr. Speaker, in the eight months since the government presented its last budget, a budget which was the sixth of six budgets brought down over a period of three and a half years, each with the assurance that it would stimulate the economy and materially reduce unemployment, the economy has not improved. Indeed, output has declined, as I intend to show.

The best way in which one can present a fair and accurate assessment of the way in which the economy has evolved since the last budget was brought down would be

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to look at the government's own record of what has gone on in those months. This record is produced from time to time, as we all know, by the government's own statistics bureau, Statistics Canada, formerly the Dominion Bureau of Statistics. The latest of these reports dealing with the economy as a whole is a report having to do with the third quarter of the year just completed. These are the latest figures on the basis of which we are able to make an assessment, and these figures, from which I shall quote in a few moments, show very clearly the direction of the economy of the country since budget night, May 8, when the budget was brought down with such a fanfare by the Minister of Finance (Mr. Turner).

The report to which I have referred, produced by the government's own agency, contains several very interesting statements. I quote:

The volume of goods and services (real output) produced in Canada during the third quarter declined below the real output of the second quarter. This is the first time in nearly three years in which real output has declined from one quarter to another.

Business outlays on plant, equipment and inventories during this quarter declined below their second quarter level.

The advance in the over-all Gross National Product during the third quarter was the smallest to have taken place in any quarter during the past five years.

These are very strange results to be derived from a budget which was brought down with such fanfare on May 8 by the Minister of Finance as one which he promised the House and the country would stimulate the economy and start unemployment on a downward trend. On the night the budget was presented, unemployment in this country stood at 5.2 per cent of the work force, seasonally adjusted. Eight months later, today, we are told by the government's statistics agency that unemployment has risen to 6.8 per cent of the work force. It is very interesting but rather sad to note that during the same period unemployment in the United States was lowered from 5.5 per cent to 5.2 per cent of the work force. All of the figures I have quoted are, of course, seasonally adjusted.

• (1410)

A re-reading of the budget makes it very clear that if the credibility of this government were plotted on a graph it would just about match the decline in the economy that has taken place since the Minister of Finance introduced his last budget some eight months ago. What has caused this very sharp reverse of the upsurge the minister predicted with such confidence on budget night? To get the answer let us take a look at what the minister proposed to do.

His plan was based primarily on a reduction on January 1, 1973 in corporate income taxes for manufacturers and producers, which together comprise 34.2 per cent of the total economy. We were told by the minister with great confidence as he came into the Chamber that night in his shining armour that this would be a new wave. This was the man who could do it when Ben Benson had failed so badly. This was the new man who was going to show that party how he could do this when everybody else had failed. He told us that these things would stimulate the whole economy to such an extent the economy would move on to higher ground.