

*Oral Questions*

I cannot relate to you, Mr. Speaker, the hurt that has been felt by the residents of the area. Those people who want to hug trees, dip a paddle and take pictures of birds have won the battle. They are not having to take the opportunity to learn about the problems that they have left to us—rents and property values, careers and livelihoods, future opportunities for our children.

It is about time urbanites who want to control the rural parts of our country take responsibility for the socio-economic destruction that they are causing.

They want us to board up our windows and move to the cities. They want us to stop living off the land and start living off UI and welfare lines. That is exactly what they are doing to us today.

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## ORAL QUESTION PERIOD

[English]

### THE ECONOMY

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, as a volunteer for my campaign, the Minister of Finance, just suggested I should say the bland is strong. I should perhaps ask the press to treat all my questions as being off the record.

My question is for the Minister of Finance. On Friday in his answer to my questions about the recent dramatic growth in bankruptcies, he said:

It is not unusual at this stage of economic development in the business cycle for the level of business bankruptcies to increase.

I would like to ask the minister just what stage in the business cycle he is talking about. Is he finally admitting that his disastrous mix of economic policies is pushing this country into the next stage of the business cycle, a full-blown recession?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, without breaking the confidences of last Saturday night I would like to congratulate the Leader of the Opposition in the kick-off to his campaign, but I would caution him not to get overly excited after one good speech. He has a long way to go until June 22.

**Some hon. members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Mr. Speaker, the Leader of the Opposition has made reference to the remarks that I made last Friday in response to his question. What I was pointing out was that Canadian business bankruptcies at their peak in 1982 were 1.28 per cent of the total number of business establishments in the country. In 1988-89, that level of bankruptcy incidence is down less than half of that to .59 per cent in both 1988 and 1989.

I am just pointing out the fact that as an economy has to slow down, which is the normal course of business cycles, one would expect that that .59 would increase somewhat, but certainly not to the extraordinary levels that were achieved in 1982 under the government of which he was a member.

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, today Statistics Canada, the government's own statistical agency, released figures showing that the Canadian economy shrank for two successive months this year, in both January and February. That is before taking into account the negative effects on the economy of the most recent increases in interest rates.

• (1420)

If the minister says his policies are not pushing this country into a recession, why have we had two successive months of a weakening economy? How many more months of economic decline, of lost jobs and closed businesses will it take before the minister drops his high interest rate blueprint for a government-made recession? Surely what has happened so far should be enough for him.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I point out to the Leader of the Opposition that during those same two months of January and February we had a total job creation of 64,000 people.

**Mr. Crawford:** Where?

**Mr. Wilson (Etobicoke Centre):** The hon. member back there asks where. In Canada, right across this country we have seen 64,000 jobs created.

The only point that I am making is that I acknowledged in my last budget that we expected to have a slowdown in the economy this year. We expected that in the first half of this year. So there are no surprises here.

Going back to my remarks on Friday, when an economy has been operating as quickly as it has over the course