

*The Economy**[Translation]*

Madam Speaker, I did not attempt today to paint a rosy picture for Canadians. The world recession has severely weakened our economy. Recovery will take time, and unemployment will not come down overnight. But if the best is by no means assured, neither are we inevitably fated for the worst, as the Right Hon. Prime Minister has reminded us so often, quoting his favourite Portuguese proverb. The strong support that individual Canadians, private sector organizations and most provinces have given to the 6 and 5 program introduced by my predecessor last June has significantly improved our economic prospects. As a result, inflation has abated and interest rates have come down over the last four months. These hopeful trends point to an early recovery. The measures introduced in the June budget and those I have just outlined will sustain activity and help those among us hardest hit by the recession until recovery makes it possible for them to find jobs.

Last week the Prime Minister formally committed the government to maintain and improve the social programs put in place over the past 40 years to counter the effects of unemployment, poverty, bad luck and economic disruption. The measures I have just announced bear witness to the fact that this was not empty rhetoric. Expenditure reallocations will enable us to devote over a billion dollars to employment support, housing assistance and modernization of our railway system without adding to the deficit. Moreover, the government will absorb next year half of the additional cost of unemployment insurance to make sure that workers and employers are not saddled with an intolerable burden. The tax changes I have proposed will likewise ease the burden of taxpayers and make it possible for them to devote their full attention to essential tasks: to produce more efficiently and more cheaply, to improve their products and techniques of production, to fully exploit markets at home and abroad—in short, to make the Canadian economy more competitive and better able to prosper as world growth picks up. This is the challenge we will have to meet together, and it will remain my first priority as Minister of Finance.

*[English]*

As some of you may know, I come from a farming family. My ancestors worked the land on Ile Perrot for almost 300 years. I still make my home on that farm. Because he depends so directly on the land for his livelihood, the farmer is more closely attuned to nature's quirks, the too sudden winter or late-arriving spring.

I have seen that the shrewd farmers use the long winter to their advantage. They sharpen and repair their equipment and tools, take account of their stock, store their grain and protect their animals. They know that they will be ready for spring.

Well, the next few months will test our collective strength as a nation. Like the wise farmer, let us use the time wisely, together laying the groundwork for the spring that awaits us.

**Some Hon. Members:** Hear, hear.

**Hon. Michael Wilson (Etobicoke Centre):** Mr. Speaker, today is not a happy day for Canadians. It is not a happy day

for the former minister of finance. It is not a happy day for the new Minister of Finance (Mr. Lalonde). The former minister of finance has seen a good part of his last two budgets thrown right into his face.

This is the first budget of this Minister of Finance, and let us call it a budget, because that is what it is. It is not an economic statement or financial statement, it is a budget. It is the third budget that we have had in the House of Commons in less than 12 months.

This Minister of Finance has been asked to carry the can for his predecessor. He has told us that the economy is still in a downturn. The drop in the national income is at least 7¼ per cent during this recession and may go still further down. The budget deficit is an astonishing \$23.6 billion, \$4 billion higher than the Minister's predecessor estimated some three and a half months ago. I hope these figures are correct.

I hope they are not going to be worse than that when we have the next budget which the Minister is going to bring down some three months from now. The advice the Minister has been getting is coming from the same place that gave us the estimates of the \$10.6 billion deficit, the \$19.6 billion deficit and now the \$23.6 billion deficit. They are the same people. And Canadians, Mr. Speaker, cannot take many more shocks like this. I fear that if these projections that the Minister has put forward for the balance of the year are still on the low side, then Canadians are going to be deeply disturbed and deeply affected by the effects of this Minister's statement. I hope I am wrong. I hope he is on target. Hon. Members and Canadians must be stunned by the magnitude of these figures and by the magnitude of the problems that we are facing, as set out by the Minister. The Minister seems to be trying to turn over a new leaf. He is trying to put those Cape Breton days behind us. But Canadians must all recognize that the Minister has not presented this statement without having some blood on his hands, because it is his National Energy Program and the collapse of the oil industry that have led to the increase in unemployment in the country today and the significant drop in revenues that have caused the deficit problems we have.

• (1640)

Members are probably looking at this seat over here and wondering where the Deputy Prime Minister is. They must have seen him leaving the House with that look of guilt, that sheepishness on his face, as he saw all those budgets, the November budget, the June budget, disappearing before his very eyes. It was a sight to behold, the embarrassment of that man.

The Minister of Finance, in one simple act today, has acknowledged that the November, 1981 budget of the Deputy Prime Minister was a total disaster and the worst budget the country has ever had in its financial history. No less than eight more pieces of that budget have been cancelled. That is in addition to the 36 changes that have already been made in the