

Canadian Economy

obvious that what is proposed by the NDP in this House is the ultimate in fiscal responsibility. To inject the kind of stimulus into the economy proposed by the NDP leader in the House would be like giving a person a massive overdose of speed pills with the same ultimately disastrous consequences.

When you are number three, it is easy to be all things to all people; it is easy to promise the moon and the sun and the stars. When you are number three you do not have to count the costs because you know there is no day of reckoning close at hand. Therefore you can go on making wild proposals that only make sense to Alice in Wonderland. Unlike Alice, however, the vast majority of Canadians are too preoccupied with the problems of unemployment and inflation. They do not live in wonderland and, happily, are too sensible and realistic to be taken in by schemes that are out of this world.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I would have thought we would have had some indication from the Minister of Finance (Mr. Turner) today of what he proposes to do to correct conditions which have 839,000 Canadians out of work at the present time. Rather than the minister making fun of the speeches made by other members of this House, I would have thought he would have attempted to explain the fiscal irresponsibility of his own tenure of office. Rhetoric is fine, but let us not forget the fact that for three years this minister has contributed to the 30 per cent inflation that has occurred in this country. In the previous three years, his predecessor, Mr. Benson, was able to keep the rate to 11.5 per cent.

An hon. Member: Big Ben and Little John.

Mr. Stevens: It is ludicrous for a Minister of Finance with this minister's record to talk about fiscal irresponsibility. He likes to ask everybody for ideas and presumably he is shopping the world for new ideas now. Certainly he seems to like our ideas, so we will offer a few today. I find it interesting that the minister is so at sea in March, 1975, that he cannot hazard a new guess as to what our real growth rate for the current year will be. Our financial institutions are willing to hazard a guess, various economic research institutions will hazard a guess, other countries are hazarding guesses—but this Minister of Finance is playing the political game; he will not stand up and say that he believes real growth will be "X" per cent.

When you look at the record, it is perhaps easy to understand why he is a little hesitant to do so, because whether it has been on his own advisers' advice or on the advice of the mysterious group of seven, his record has not been too good in estimating the future fortunes of the country. In May, in his budgetary speech, the minister stated that real growth in 1974 would be 5 per cent. In November he had scaled it down to 4 per cent to 4½ per cent. We know now that the actual growth was 3.7 per cent in 1974. In the November budget the minister stated that he anticipated real growth would be 4 per cent in 1975, and he said this was partly due to the stimulus he was putting into the economy.

What are the facts, Mr. Speaker? The minister will not tell us, and I honestly believe that he does not know. He is

[Mr. Turner (Ottawa-Carleton).]

drifting as he has drifted for three years. The Conference Board of Canada believes that the real growth in this country for 1975 will only be 1 per cent. The Bank of Montreal believes it is going to be 1.3 per cent. Certainly it is going to be much less than the 4 per cent mentioned by the Minister of Finance in November. I mention this because I believe we have to accept the fact that economic conditions have changed since November of last year. The minister admits that his November 18 budget was based on forecasts that have not materialized. That is his gentle way of admitting he has made a mistake. In my opinion, it is a colossal mistake. In the meantime, we have bought ourselves a recession the like of which has not been seen since the 1930s.

We, of course, are pleased that the NDP caucus, in their motion today, have at least joined us in pressing the government to rectify the inadequacy of their present economic stance. Let me reiterate our position. We have been pressing this government constantly to take some action to relieve the unsatisfactory situation that exists in this country. At second reading and at committee stage of Bill C-49 we moved that the government cut personal income taxes by \$500 million. Such a cut would result in a saving for most Canadian taxpayers of \$60 to \$150 in this year alone. Unfortunately, the government blocked both our moves to give that tax break to Canadians.

During earlier debate on budgetary enabling legislation we pressed the government to reduce the sales tax on building materials. This would have meant a cost saving of \$380 million to the construction industry which at the present time is bearing a disproportionate share of the current slump. During the last election campaign we advocated that interest in excess of 8 per cent payable on mortgages on private homes should be deductible from income as an expense before the payment of income tax. We reiterate that position today and urge the government to accept our proposal or at least to accept the principle that some portion of mortgage interest should be a tax deductible item. We estimate that our suggestion would amount to a concession to overtaxed present and future home owners of approximately \$250 million per year.

● (1630)

To accommodate these tax cuts or concessions of approximately \$1.1 billion, the government can, should and must curtail its spending programs by a like amount. This government has demonstrated that it cannot discipline itself on spending matters. Parliament must therefore accept the responsibility of restraining the government. This, frankly, we cannot do without the support of the majority of the members of the House, including members of the Liberal caucus.

The irresponsible record of the Minister of Finance is clear. His imprudent handling of the economy, or at least the government's reckless programs involving spending, have contributed to our current unsatisfactory economic conditions. The Minister of Finance complains these days that he and the President of the Treasury Board (Mr. Chrétien) are out-voted in cabinet when they attempt to restrain government spending. Perhaps these two ministers need our sympathy as they attempt to function within a cabinet filled with starry-eyed dreamers who, for short-