

refer shortly, are so odious that we in the official opposition ought not, must not and will not vote at second reading to support them in their present form.

What other Minister of Finance or Prime Minister in Canadian history has ever been so inept? Within a six-week period the minister has taken an essentially good idea and mishandled it to the point where at least the majority of the nine provinces with which he had agreement now feel they have been double-crossed, while the tenth, as reflected in the Quebec National Assembly, which has voted unanimously, rejects the federal government's offer of \$186 million to go to the residents of the province of Quebec. This government, frankly, cannot even give money away without causing dissension.

For example, when the Minister of Industry, Trade and Commerce was at a football game in Edmonton he was booed when he attempted to present a \$1 million cheque to the Commonwealth Games people there. Now we have the spectacle of every member in a provincial legislature, Liberal, Union Nationale, Creditiste or what-have-you, voting unanimously to condemn the Trudeau-Chrétien approach with respect to giving funds to individual residents of Quebec.

Let there be no mistake, their opposition is a fundamental opposition. The federal government is wantonly trying to circumvent provincial jurisdiction in an approach which is designed to blackmail a provincial government into submission. That is hardly the recipe for federal-provincial relations. It is hardly the approach to ensuring national unity. The Minister of Finance has spoken about being proud to be a Canadian. I am proud to be a Canadian, and I believe the time has come when the divisive forces this government is letting loose should be ended so that we can all continue to be proud Canadians.

Some hon. Members: Hear, hear!

Mr. Stevens: I was somewhat surprised that in his remarks the minister reiterated many of the things he said on budget night. He attempted to rationalize his record, but in that context perhaps we should put a few things on the record.

Since taking office in September of last year the record of this Minister of Finance has been one of a continuous series of errors. The plunge of the dollar was accelerated by the minister's lack of comprehension of the magnitude of the problem, with the result that we lost twice as much in foreign exchange reserves as was needed, and now we end up seeking credit to the extent of some \$7 billion from not only our own chartered banks but also from foreign banks and other lending institutions around the world.

Hon. members will recall that the minister took the concept of a \$700 million income tax cut in his October 20 statement and dropped it in as a \$100 per person tax credit to be felt in January and February, but in fact it went virtually unnoticed by most Canadians. We lost, in effect, \$700 million in revenue, with virtually no fiscal stimulant to show for it. It was a maximum loss, speaking fiscally, for a minimum gain.

Income Tax Act

The minister stole the concept of an employment tax credit from this party and from others. He threw it into his October 20 statement but, unfortunately, he threw it in without knowing what he was talking about. For weeks we watched the government wince and agonize over what legislation it should put in place. Hon. members will recall that eventually a bill was introduced and passed, with our acquiescence, within one day; but then we found that it took the government such a long period of time to put the measure into operation that there was little benefit for the unemployed during the recent wintry months.

● (1732)

Perhaps the easiest thing for me to do in attempting to rebut some of the statements made by the Minister of Finance, concerning the desirable things he claims he has done in his budgets is simply to refer the House and the minister to the last two forecasts put out by Wood Gundy in Toronto. That firm forecasts regularly on a quarterly basis what it anticipates to be the Canadian economic growth in coming years. In October last year they put out a forecast, as well as one in April. It is sad reading. We received a comparison of what Wood Gundy felt would be the Canadian economic situation as of last October, and currently how they feel their forecasts have measured up. By coincidence, those months happen to be the months the Minister of Finance has been tending shop in Canada.

For example, last October Wood Gundy felt that in 1978 the unemployment level in Canada would be 8 per cent. Currently they are indicating that it will be 8.6 per cent. They feel that in 1979 our unemployment level will rise to 9.1 per cent. Only last October they anticipated that it would be 7.8 per cent. Last October they felt the real growth for 1978 would be 4 per cent. Now they have marked that down to 3.8 per cent. More importantly, they anticipated the growth in Canada in 1979 would be 4.1 per cent. Now they see it to be only 3.2 per cent. On all counts they see their October forecasts will not be met, and that our inflation levels in Canada will be higher in 1978 and 1979.

Page 3 of the Wood Gundy report indicates that 1979 will be an even slower year than 1978. Even assuming that the recent sales tax cuts are extended indefinitely, they are now forecasting a 3.8 per cent real growth this year, compared to 4 per cent in their earlier forecast. Also they are forecasting a 3.2 per cent real growth in 1979, compared to 4.1 per cent in their October forecast. Also Wood Gundy have indicated that their figures will be accompanied by an unemployment rate rising to over 9 per cent.

Do I have to say any more to show how inadequate the minister has been in respect of the budgets he has brought in? Not only are the forecasters downgrading the real growth and upgrading inflation and unemployment levels in this country, but we find the government has been systematically underestimating its expenditures and overestimating its revenues. The result is the \$11.5 billion deficit we are now living with. Over