

Oral Questions

In reply to the second question, when I appeared before the standing committee as a witness, I told them that I would like the standing committee itself to reflect whether it had the time, in view of its present workload, to take on another investigation.

In reply to the third question, not since yesterday. No, I have not decided to launch new measures or introduce new policies.

Mr. Crosbie: Madam Speaker, I might point out to the minister that at the moment the finance committee has nothing before it; the estimates are finished and there is nothing of any priority before it. We now have the Economic Council of Canada, an independent government agency which reports to the Prime Minister—I hope it will arouse his interest for the first time—reporting that it has studied the minister's budget. I should like to quote from page 7 of its press release of yesterday:

The general impact of the federal budget appears to be one which increases the rate of unemployment.

It has looked at the minister's budget and raised its inflation forecasts in its annual report up to 11.4 per cent because of the budget. That is 1.2 per cent higher than the minister's forecast. The council has looked at the budget and has reduced its forecast for real growth next year downward from over 1 per cent to .5 per cent. All of these are the council's reflections as a result of the budget and they are the Prime Minister's forecasts; they are the forecasts of his Economic Council of Canada.

In view of the forecasts of this independent agency which reports to the Prime Minister, will the minister now rethink his position and bring in and launch new programs and new budgetary measures?

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, there is something very confusing about the interpretation which the hon. member placed upon the press release of the Economic Council of Canada, or alternatively there may be some contradiction between the actual projections presented by the Economic Council of Canada and the press release.

● (1420)

As hon. members know, Madam Speaker, the Economic Council did present certain projections in its annual review. That review was prepared before the budget and before the National Energy Program was prepared. The whole review was written and not changed. It was there before the budget. What was done was to up-date projections based upon the budget. As I look at the actual projections I find, since the hon. member mentioned unemployment, that for every year from 1981 to 1985 the council's projections, made after the budget, show unemployment rates lower than those projected in the budget. If the hon. member will look at those projections he will find that statement is correct.

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, the minister can squirm any way he wants to squirm. This is a document which is called "An Assessment of the Impact of the Federal Budget on the Canadian Economy". The Economic Council of Canada says in this document:

The general impact of the federal budget appears to be one which increases the rate of unemployment.

Their projections are worse in every respect as a result of the minister's budget.

A year ago the minister was supposed to be the crafty genius who manoeuvred another party out of office. I ask him this question: Why? Interest rates are now in excess of 2 per cent higher. The minister has brought in no new policies and no new approaches. Everything is worse. Why did he put a government out of office last year when he had nothing to offer himself? Would he tell the public that?

Some hon. Members: Hear, hear!

Mr. MacEachen: Madam Speaker, I want to assure the hon. member it was not very difficult to manoeuvre the former government out of office.

Mr. Crosbie: It's harder to govern, is it not?

Mr. MacEachen: I want to return to the comment made by the hon. member about the projections of the Economic Council of Canada. The projections which were made by the council after the budget show the unemployment rate for 1981 to be 8.2 per cent. The projection of the Department of Finance is 8.7 per cent. The figures go down for each succeeding year and the projections—

Mr. Broadbent: What does that prove?

Mr. MacEachen: The Leader of the New Democratic Party asks what it proves. First of all, it proves that the Economic Council of Canada is showing lower projections for unemployment than those which are proposed in my budget. That is the first thing it proves. The second thing it proves, Madam Speaker, is that the hon. member for St. John's West does not know what he is talking about.

Madam Speaker: A final supplementary, the hon. member for St. John's West.

Mr. Crosbie: Madam Speaker, I read from page seven of the release of the Economic Council of Canada:

The pre-budget base case suggests an unemployment rate of 8 per cent for 1981—

However, their post-budget figures, based on the minister's budget, show the figures going from 8.2 per cent to 8.6 per cent, an increase of—

Madam Speaker: Order, please. I allowed the hon. member the opportunity to pose an extra question. I expect him to make that question brief.

Mr. Crosbie: How does the minister explain his misinterpretation of the facts?