

*Oral Questions*

current account basis has a surplus of \$1.2 billion for the first quarter. The merchandise trade surplus stands at \$3.5 billion. Personal disposable income has increased by 1 per cent. Personal savings stand at the same level of 13.3 per cent. These are a number of the rather positive statistics.

**Mr. Stevens:** Unemployment is up. Interest rates are up.

**Mr. Nielsen:** Inflation is up.

**Mr. Pepin:** Again, my hon. friend is free to choose the figures he wants, but I just wanted to indicate that there is in the national accounts a number of statistics that are really unfavourable and that we deplore, and others that are quite good.

**Mr. Wilson:** Madam Speaker, surely the minister understands that the 8 per cent drop in real terms in national income means that 1.25 million people are unemployed. Canadians are not interested in selective statistics which the minister can pull out of a hat. Canadians want to know what the government is going to do to get the economy going again.

I should also point out to the Acting Prime Minister—he missed it this morning—that the Gross National Product in the United States just went up in the second quarter by 0.6 per cent. The United States is coming up. Canada is still in a free fall going down.

## QUERY RESPECTING GOVERNMENT POSITION

**Hon. Michael Wilson (Etobicoke Centre):** Madam Speaker, I have one simple question for the Acting Prime Minister. How much of a decline in the economy and how much of a decline in the Canadian dollar is the government going to allow before it changes its mind, swallows its pride, and introduces changes in the basic policies which are causing these problems?

**Hon. Jean-Luc Pepin (Minister of Transport):** Madam Speaker, I was doing what I think is normal on this occasion. When my hon. friend chose only one set of statistics, in order that Canadians get the whole truth I indicated that there were others. I am quite entitled to do that. The truth does not hurt. People want the whole picture. My hon. friend took one set of statistics, and I indicated that there were others.

On the subject of what the government will do at this time, I am reading the Prime Minister's statements from the weekend. As reported by the Canadian Press, we find the following:

Trudeau promised new economic initiatives being prepared by the government wouldn't be mere tinkering but would have real substance.

**Mr. Nielsen:** Scare the hell out of them.

**Mr. Pepin:** This is what the Minister of Finance repeatedly said last week. He intends to present that statement. He will take part in the debate this afternoon. There will be plenty of time for him to explain what is happening. There will also be

the statement in which the minister will lay down what the government reaction is to present circumstances.

**Mr. Nielsen:** Grit times are hard times.

## EXPECTATIONS OF CANADIANS

**Hon. Michael Wilson (Etobicoke Centre):** Madam Speaker, the minister should know that the truth is hurting. It is hurting those Canadians who are being laid off; it is hurting those people who have to roll over a mortgage at 18 per cent, 19 per cent or 20 per cent, and it is hurting those businesses that are going bankrupt today.

Over the weekend the Prime Minister said that the obvious solution to our economic problems would be for Canadians to cut their wage and salary demands and lower their expectations. That is a quote I got from the newspaper today. If the Minister of Finance in his mini-budget will only ask Canadians to lower their expectations, can he tell the Canadian people how in the world we will get the economy going again?

● (1420)

**Hon. Jean-Luc Pepin (Minister of Transport):** Madam Speaker, this lowering of expectations is not something that only the Prime Minister has been saying. I have seen a number of quotes from members of the opposition saying the same thing, for example, one even willing to exercise that by cutting back on foreign aid; another requesting a 10 per cent reduction in the general expenditures of the government.

**Mr. Wilson:** Is that all?

**Mr. Pepin:** The lowering of expectations is not an expression on which the Prime Minister has a trademark. It has been recognized by many, by most, as being—

**Mr. Clark:** Not by us.

**Mr. Pepin:** Well, we will see what the Leader of the Opposition has to say this afternoon on that subject, but generally speaking it is recognized in Canada as one of the fundamental measures to take at this time.

## STATEMENT ATTRIBUTED TO PRIME MINISTER

**Hon. Flora MacDonald (Kingston and the Islands):** Madam Speaker, my question is directed to the same minister. The Prime Minister has admitted over the weekend that the direction of his policies since the November budget has been to scare the hell out of people by creating unemployment and causing bankruptcies. I would say that he has certainly succeeded. I cite the case of a couple with two children. Both parents have lost their jobs and they are about to lose their home, and they are scared.

**Some hon. Members:** Order, order.