

without being in any kind of a hurry to seek parliamentary approval; and finally, they have announced budgetary measures out of this House.

● (1530)

[English]

The new government starts from a position of considerable economic strength.

Some hon. Members: Oh, oh!

Mr. Crosbie: This is the funny party this week.

Mr. Trudeau: The members opposite will have to realize that the telegraph has been invented and that what the Minister of Finance (Mr. Crosbie) had to say in Great Britain a couple of weeks ago was heard in Canada and should be read by them.

Some hon. Members: Hear, hear!

Mr. Trudeau: Their finance minister, the one who they are seemingly smirking at now, told an audience in England three weeks ago:

The underlying state of the Canadian economy is strong and healthy.

Some hon. Members: Hear, hear!

Mr. Chrétien: Thank you, John.

Mr. Crosbie: Despite the excesses of the previous government.

Mr. Trudeau: Some of them will remember the words I once used, "a healthy economy in a difficult world".

Mr. Crosbie: "The land is strong".

Mr. Trudeau: Yes, the land is strong, but I am afraid that it is being seriously weakened and undermined by that government across the aisle.

Some hon. Members: Hear, hear!

Mr. Trudeau: At the time when the Conservative government came to power the economy had achieved a first quarter growth rate of 1.7 per cent, or 6.8 per cent on an annual basis. That is a real growth rate of 6.8 per cent. There were 10,286,000 Canadians employed in May, which is an increase of 366,000 over the previous year. Over the same 12 months the number of unemployed had been reduced by 74,000, indicating that our rate of job creation was higher than the rate at which new people were entering the labour force. The rate of unemployment in May was 7.7 per cent, down from 8.5 per cent one year earlier.

The consumer price index stood at a year over year increase of 9.3 per cent in May, down from a 12-month increase of 9.8 per cent in April. In the first quarter of 1979 industrial corporation sales were 17 per cent higher than in the same quarter a year earlier, and after tax profits had risen 57 per cent. The value of exports increased by \$556 million in the

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first quarter, more than half a billion dollars, compared with the fourth quarter of 1978. Total farm cash receipts between January and May of this year were 20 per cent higher than a year earlier.

When the Liberal government left office Canada's textile, clothing and steel industries were, like many others, operating at full capacity. We led the industrialized world in the rate of job creation. Canada ranked first in the world among exporters of forest products, first in the export of fish and fish products, first in the export of minerals. Despite the continuing critical problems of inflation, unemployment and slow growth, which Canada shares, as the hon. members opposite are discovering, with every other industrialized country, we in the Liberal party are proud of the economic achievements which we have helped to secure for Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: As the new government assumes its responsibilities, it inherits the stewardship of an economy and country whose strengths are firm and deep. As I just quoted the Minister of Finance a moment ago, the underlying state of the Canadian economy is strong and healthy. In the exercise of that stewardship, it will be necessary for the government to focus its attention on those major policy areas which will also be our preoccupation on this side of the House—economic growth and stability, the price and supply of energy, the unity of our country and its people, the way Canada is governed and the way in which we meet our responsibilities in the world community. As it faces these priorities, the government has already given cause for serious doubts about the quality of its judgment, doubts which we intend to bring vigorously to the forefront of parliamentary debate.

I cannot give too many examples arising from the Speech from the Throne yesterday, but it seems to me it is worth underscoring a theme which is recurrent in several pages of the Speech from the Throne and which was recurrent today in the answers given by the Prime Minister and Minister of Energy, Mines and Resources, that there will be a new spirit of co-operation in Canada, a new federalism. We will re-establish, the Speech from the Throne says, "the spirit of partnership and renewal which are fundamental to our federation." I quote again as follows:

● (1540)

My ministers believe that the way to build a whole nation is to respect our individual parts—

Then it goes on further to say:

During the past four months, my ministers have made every effort to change the climate of federal/provincial relations which has prevailed in recent years.

Many, many years, Mr. Speaker. After all these words we have two examples. I quote the Governor General again as follows:

As a result of their efforts, there has been visible progress. An agreement on lotteries has been concluded and agreement in principle has been reached with certain coastal provinces concerning offshore mineral resources.