

Grenville with the funds they so desperately need to meet the demands of the additional 9 per cent unemployed.

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

CENTRAL AMERICA PEACE PLAN

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to bring to the attention of the House that the foreign ministers of nine Latin American countries have agreed on a plan for peace in Central America, calling for regional negotiations, disarmament, and a cutback in foreign advisers.

The four Contadoran countries, Columbia, Mexico, Panama, and Venezuela, have made peace proposals before, but this is the first time that the foreign ministers of Guatemala, Costa Rica, El Salvador, Nicaragua and Honduras have endorsed such a plan.

Details of the framework agreement are not known yet but the main objectives are the following: first, immediate and progressive disarmament after an inventory of armaments in the region; second, a reduction in the number of foreign military advisers; and third, a permanent dialogue between governments and their internal opposition movements to lead to precise electoral processes.

● (1115)

The Contadora group stresses the efforts to bring Central American conflicts to the negotiating table and eventually to use ballots instead of bullets to settle differences. At this time the document has gone to the governments of nine countries for approval.

The group is calling for foreign governments to refrain from military intervention and to co-operate by carrying out concrete actions of assistance. In this light I call upon the Government of Canada to support formally, in a much more obvious way, the efforts of the Contadora group and, through every diplomatic force available, to push for the withdrawal of all foreign forces from the area.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

PACE OF ECONOMIC RECOVERY—MINISTER'S STATEMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is addressed to the Minister of Finance who made an extraordinary speech here last night in Ottawa, and I want to refer to it. He said: "We have a recovery second to none in the world so far." My response would be—stop the world, we want

Oral Questions

to get off. The Minister said, "A moderation in the pace of economic recovery is not only acceptable but helpful."

I ask the Minister if it is Government policy to moderate the pace of economic recovery even though 1,365,000 Canadians are unemployed, even though 66,000 are exhausting their unemployment insurance every month, even though the income of Canadians is shrinking because the cost of living is going up more than their salary gains? Is it the Minister's policy deliberately to keep Canadians unemployed and to continue these conditions, in light of his statements in his speech last night?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member has made several wrong assertions. The first one is that this speech was not made last night; it was made at noon yesterday.

Some Hon. Members: Oh, oh!

Mr. Lalonde: The rest of his assertions are of the same category. They are just all over the lot, having little relationship to the facts. The incomes of Canadians are not going to be shrinking this year, they are going to increase.

The only really true assertion the Hon. Member has made is that Canada is experiencing a recovery comparable to none in the rest of the world. This recovery in Canada is greater than that in any other industrialized country. For the first two quarters of this year, Mr. Speaker, we have had an increase in growth at the rate of 7.4 per cent on an annual rate, which is a record. In both the United States and in Canada there will be a moderation in the rate of increase in the course of the next year, and the year after. For instance, we expect next year that the rate of growth will be in the 5 per cent range in real terms, which is a very good rate and, as I said, will be at least as high if not higher than that in the U.S. or any other country.

The policy of the Government is to have the highest possible rate of growth to aim at creating the highest possible number of jobs and to reduce unemployment as fast as we can. But we do not want to be in a situation where the end result will be higher inflation and higher unemployment. We want to have both low inflation and high employment, and this is what we are working toward.

Mr. Crosbie: Someone should introduce the Minister to Walter Gordon, who was saying exactly the opposite here yesterday.

GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister's statement is this: "A moderation in the pace of economic recovery is not only acceptable but helpful." If you are going to moderate the pace of economic recovery, you are going to have less employment, less business investment and the like. Does the Minister realize there has been the biggest drop in business investment since World War II, down to 11.5 per cent of total spending? Does he realize that, if we are