

THE ECONOMY

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, for more than 20 years successive federal governments have claimed to be fighting inflation and the deficit by cutting corporate taxes, raising interest rates and cutting programs. What have investors done with the interest earned and the taxes saved? They have used their surplus funds to bid up existing stocks to the point at which general stock values in Canada are reported to be up 35 per cent over last year.

To continue generating existing levels of profit, their prices for goods and services provided will have to be pushed up, as will inflation.

If the government is serious about fighting inflation and the deficit, a tax on transactions can both cool inflationary pressures and reduce the deficit. Such a multiple approach to fighting the deficit and inflation might actually work, unlike current policy fixation with high interest rates, low corporate taxes and deep program cuts.

Surely after 20 years of failure to meet even one deficit target it is time to try some things that might actually work.

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BANKS

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, the big banks would like to sell insurance directly to their customers.

Many Canadians are worried about concentrating economic power in the hands of a few large banks, putting the safety of the financial system at risk.

In changing the Bank Act, the government should be careful not to reduce competition. Consumers would suffer from reduced choice in the financial industry. Banks selling insurance would have an unfair advantage over insurance companies. Insurance companies are not entitled to have the same government guarantees the banks have, including Canada deposit insurance. Banks will also have an unfair advantage if they are allowed to use confidential client information to help sell insurance.

Any changes to the Bank Act must be fair to the insurance companies and must protect the consumer. Banks should stick to their mandate and start lending money to small businesses, the engine of the country's economy.

Rather than letting the banks expand into insurance, we should tax their record profits and force them to lend more money to small businesses.

S. O. 31

MALVERN REMEDIAL PROJECT

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, this week in my riding of Scarborough—Rouge River we are completing the last of the work on the Malvern Remedial Project.

This is an initiative to restore a residential area where soil had been contaminated by low level radioactive material dumped during the second world war. Although the problem was discovered in 1980, it has taken 15 years for all levels of government and the community to achieve their goal of removing the contaminants and restoring this neighbourhood of family homes.

We want to recognize and thank the Minister of Natural Resources and the leadership of her officials, the province of Ontario for sharing the cost and purchasing the real estate required, AECL for its expertise, the city of Scarborough, the local advisory committee chaired by Mr. John Brickenden, elected representatives at the municipal, regional and provincial assemblies and, last but not least, the Ontario and Canadian taxpayers who underwrote the costs.

The Malvern/McLure neighbourhood says thank you for this successful initiative. We hope the Malvern Remedial Project can be a successful example of community and government working together to correct environmental mistakes of the past.

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MINISTERS OF FINANCE

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Mr. Speaker, it may come as a surprise to our beloved finance minister to learn that last Friday in my riding of Saskatoon—Humboldt there were no less than four individuals passing themselves off as the Minister of Finance of Canada.

• (1405)

The culprits are students from the University of Saskatchewan participating in an annual term project, the brainchild of Professor Marv Painter of the college of commerce, whereby undergraduate commerce and MBA students produce a federal budget.

This year 138 students made up the four teams which presented their government initiatives regarding economic and social policy, taxation, government spending, deficits and debt.

In support of their budget proposals, each group determined the source of revenues, allocation of expenditures and future estimates of GDP growth, interest rates, inflation and so on.