

Oral Questions

Mr. Baker (Nepean-Carleton): Madam Speaker, the Minister of Finance this morning said publicly that in economic terms the country was in a crisis with respect to inflation and other things. He said that. I heard him say it this morning. He must have made that judgment on some forecast of projections from figures, certainly not the ones in his old budget because they are hopelessly out of date. Therefore, will the minister table the projections and the figures which put the foundation to his statement today that, in terms of inflation, this country is facing a crisis? Canadians believe the country is facing a crisis but what Canadians want from this ministry is the government's intimations on how to get out of it. Obviously, it must not do nothing. There must be something which the government has in mind. Perhaps the time has come for it to be said, either tomorrow or the next day when we will be engaged in debate.

Mr. MacEachen: Madam Speaker, the hon. member said I used the word "crisis". I am not so sure that I did. I thought I said to the interviewer that I regard the inflationary situation as very, very serious.

Mr. Baker (Nepean-Carleton): Catastrophic.

Mr. MacEachen: I have had the view, since the budget, that the main difficulty facing the country is inflation. I have difficulty today, despite the evidence of this inflation, in convincing hon. members that the monetary policy pursued by the Bank of Canada is justified, because nobody on the other side has agreed with the policy. One of the difficulties which hon. members have not yet come to realize is that the policy being followed by the Governor of the Bank of Canada is anti-inflationary and is required in the present circumstances.

If the hon. member wants me to give him some facts on which I base my feeling that the inflation situation is serious—

Mr. Nielsen: No speeches.

Mr. MacEachen:—I refer him to the bank rate which was increased to 18.71 per cent last Thursday. I regard that as a very serious development. I refer the hon. member to the last inflation figure which showed year to year inflation of 12.4 per cent. I believe these are very serious indices of the inflationary strength of the economy and the environment in which we live. I am looking forward to the debate for the next two days to get views from hon. members—during which I will also give some views—as to what they believe the next step ought to be, not about an incoherent but a coherent policy.

Miss MacDonald: Who is the Minister of Finance?

REPORTED STATEMENT BY MINISTER OF AGRICULTURE ON
AMENDING BANK ACT

Mr. Jack Murta (Lisgar): Madam Speaker, one segment of society which is facing a crisis is, of course, the agricultural industry, and therefore my question is for the Minister of Finance. Last Thursday the Minister of Agriculture said in a speech in British Columbia that the government was consider-

ing amending the Bank Act to reduce interest rates for unincorporated small businesses and for farmers. Was the Minister of Agriculture stating government policy when he made that statement, or was he just talking through his proverbial green hat, which seems to be the usual case?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not think the Minister of Agriculture would have referred to the Bank Act—

Mr. Epp: He did.

Mr. MacEachen:—because we have completed our revision of the Bank Act and it is not my intention to reopen the Bank Act at the present time.

Mr. Jarvis: It was Whelan.

An hon. Member: Down the drain, Gene.

Mr. MacEachen: But I will say that I have had discussions, as I frequently do, with the Minister of Finance. With respect to the Minister of Agriculture—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: I have had frequent discussions with the Minister of Agriculture on questions in which he is interested. One of the items has to do with possible changes to the Income Tax Act.

I also want to tell you, Madam Speaker, that I do have discussions with the Minister of Finance.

Some hon. Members: Oh, oh!

Miss MacDonald: You and Mackenzie King.

Mr. Shields: Does he answer you?

Some hon. Members: Oh, oh!

Mrs. Mitchell: You will be walking on water soon.

● (1500)

REQUEST FOR EXTENSION OF SMALL BUSINESS DEVELOPMENT
BOND PROGRAM

Mr. Jack Murta (Lisgar): Madam Speaker, my supplementary question is also for the Minister of Finance. An example of what would help when it comes to the agricultural industry would be an extension of the small business development bond to include unincorporated businesses, specifically for farmers and farm businesses. The minister must realize that agriculture operates almost totally on borrowed credit. Certainly the cattle feeding industry operates exclusively on borrowed credit. We have a situation in which farm prices are starting to drop but costs have gone up substantially. Can the minister give any indication to the farm community of whether he is looking at a