

Oral Questions

Mr. Turner (Ottawa-Carleton): I have dealt with this issue thoroughly at every opportunity we have been given in the House of Commons. The government's policies have been well illustrated to the House.

Mr. Stanfield: In view of the continuing escalation in the rate of inflation in this country on a year to year basis, and month by month, with the rate increase now at almost 10 per cent, is it the intention of the minister to announce any new measures? As this condition is spreading throughout the whole economy and is not simply confined to food as the minister would like to suggest, is he going to introduce any effective measures or is he going to let inflation run away in this country?

● (1410)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the thrust of inflation continues to be an imbalance in supply and demand in food commodities, in non-food commodities and in fuel, none of which, as I have indicated to the hon. gentleman and his colleagues, is subject to the type of policy he has been advocating. What the government has done instead is to introduce policies that will increase the supply and thereby render more chance of an equilibrium in prices in this country and, second, moderate the erosion of prices on the purchasing power, and the savings of Canadians by buttressing their incomes. More cash has been made disposable by commodity tax reductions, and by protection of families in the lower and fixed income scales by raising and escalating old age pensions and raising and escalating family allowances and that type of measure.

Mr. Stanfield: A final supplementary, Mr. Speaker. When is the Minister of Finance finally going to be prepared to recognize that the policies he is following or not following are leading the country and ordinary Canadians to disaster?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Prince Edward-Hastings on a supplementary.

CONSUMER PRICE INDEX INCREASE—SUGGESTED
INTRODUCTION OF SPECIFIC TAX INCENTIVES TO
INCREASE PRODUCTION

Hon. George Hees (Prince Edward-Hastings): I have a supplementary, Mr. Speaker. Would the minister advise the House when the government intends to introduce specific tax incentives aimed at inducing an increase in production which will bring it up approximately to the level of the increased demand present today so that inflation may be controlled and so that the skyrocketing cost of living may be stopped?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there is some substance in the hon. gentleman's question to the extent that he recognizes that the problem at the moment in the economy is not on the demand side but on the shortage of supply. He recognizes quite properly that we must increase productive facilities. What he

[Mr. McGrath.]

fails to remember are the measures brought forward by the government and enacted by parliament by way of corporate tax incentives to manufacturing and processing industries which have had the effect of increasing capital investment intentions in this country by 15 per cent in 1973 over 1972, by an estimated 20 per cent in 1974 over 1973, and in the manufacturing and processing industry by over 40 per cent.

Mr. Hees: Mr. Speaker, as the measures which the minister has mentioned—

Mr. Speaker: Order, please.

Mr. Hees:—obviously are not—

Mr. Speaker: Order, please. I am not sure whether the hon. member was going to make a speech rather than ask a question. I know the hon. member never does that. The Chair will, of course, recognize the hon. member for a supplementary, then the hon. member for York South and then the hon. member for Témiscamingue who have supplementaries, and then we will continue with further supplementaries on this very important subject. The hon. member for Prince Edward-Hastings.

Mr. Hees: I was simply saying that as the measures mentioned by the minister are not working and as it is now evident that the government does not intend to introduce these very necessary taxation incentives, will the minister advise the House when he is going to replace his present indolence with action and get the economy of this country moving? When is he going to do that?

Mr. Speaker: The hon. member for York South.

CONSUMER PRICE INDEX INCREASE—REQUEST THAT
THERE BE NO FURTHER TAX CONCESSIONS TO
CORPORATIONS

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Minister of Finance. Since the tax concessions which he introduced and which were passed by the House with the assistance of Conservative members obviously have not worked and cannot work, will the minister assure the House that he does not intend to present the corporations of this country with another half a billion dollars that will again be wasted?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I could not disagree more thoroughly with the hon. gentleman's preamble.

INCREASE IN COST OF HOUSING—POSSIBILITY OF NEW
MEASURES UNDER NATIONAL HOUSING ACT TO MEET
NEED OF PEOPLE ON LOWER INCOMES

Mr. David Lewis (York South): Mr. Speaker, may I direct a supplementary on the general issue of the cost of living to the Minister of State for Urban Affairs. Based on the fact that the cost of housing went up about .8 of one per cent and the statement by the president of Central Mortgage and Housing Corporation appealing to builders in this country to build homes for lower income people, may I ask the minister whether this urgent need in