

The Budget—Mr. Trudeau

achieve our objective, consistent with maintaining a healthy industry. We have gone a good distance toward meeting the views of producing provinces while protecting the interests of all Canadians. We have listened to the concerns expressed by the producing provinces and the companies, and we have responded. The budget reduces our claimed share by 25 per cent. With a reasonable approach by everyone, we will have the climate so necessary in Canada to the development of the new energy resources we need.

I have been on my feet an hour and five minutes, Mr. Speaker.

Mr. MacKay: It seems longer.

Some hon. Members: More.

Mr. Trudeau: I remember the enjoiner of the hon. member for Annapolis Valley (Mr. Nowlan) yesterday, that I make sure I do not sit down a second time in this session without having dealt with inflation. Therefore, I ask the indulgence of this House to give me another five to seven minutes to talk about the problem of inflation which I dealt with earlier in my speech. I was talking then about the human impact of inflation and about the government's general response. I would like to draw attention to some specific responses and the way in which all Canadians can, together, attack the problem. One of the specific responses was, of course, our petroleum policy which kept prices considerably below world prices and, by the device of the export tax, permitted Canada to escape the kind of disruptions which hit so many other industrialized countries.

Mr. Broadbent: Where did you get that policy?

An hon. Member: From the Liberal caucus.

Mr. Trudeau: The leader of the New Democratic Party wants to know where we got the policy. The hon. member is right: we got it from the Liberal caucus. I am sure the New Democratic Party is frustrated in its attempts which began last May to make the Canadian people believe that they had thought up this policy; but never mind, they do not have to remain frustrated. A new agreement will have to be reached by July 1. Let them set out now what their policy is for that period.

Some hon. Members: Hear, hear!

Mr. Trudeau: All I can say is I would be very grateful if they did. If they can set out that policy, as I am sure they will—their leader is shaking his head—and they can get Premier Blakeney, Premier Schreyer and Premier Barrett to agree to that policy, it will make it much easier for me.

Some hon. Members: Hear, hear!

Mr. Trudeau: If, by some miracle, the Tories can also set out their policy in due course and can get premiers Moores, Hatfield, Davis and Loughheed to agree, we will have a very nice federal-provincial meeting some time in May. We may even have it in front of television, and I will then say that the policy was developed for the people of Canada by the leader of the New Democratic Party and by the leader of the Conservative Party—if there is still a

[Mr. Trudeau.]

leader at that time. I will, as usual, be very humble in telling the Canadian people that.

Some hon. Members: Hear, hear!

Mr. Trudeau: As to specific responses, the most obvious of the social inequities caused by inflation is that it aims its harshest blow at the most vulnerable, pensioners and low-income families; the very people who are least able to fight back by increasing their income. That is why this government has redistributed massive amounts of the national income, asking those who have more to share with those who need more. We have raised the family allowances, which in the next fiscal year will involve a payment to Canadian families of some \$2 billion of our national income. Increases in the old age pension and the guaranteed income supplement mean that we will allocate some \$3.9 billion of our national wealth toward the income needs of the elderly. We have made sure that these social benefits will continue to rise automatically with increases in the cost of living. Through the Canada Assistance Plan we will provide, next year, some \$700 million to low-income families and individuals.

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To help all Canadians cope with inflation we are reducing what the government would otherwise take of the national income. The tax cuts proposed in the budget will have the effect of giving the government some \$2.2 billion less during the next fiscal year than it would have received if the tax structure had remained unchanged. This will leave more purchasing power in the hands of Canadians, helping every taxpayer to cope with the cost of living and helping the economy to resist stagnation.

The government has sought to moderate the rate of price increases by reducing or removing tariffs on some commodities, removing or reducing the federal sales tax on others, and by subsidizing the cost of still others. As Canadians, we on this side of the House are proud of the strength of our economy relative to that of other nations. As Liberals, we are grateful that we have been able to play a part in maintaining and reinforcing that strength.

Some hon. Members: Hear, hear!

Mr. Trudeau: Many Canadians have contributed to the impressive performance of the national economy. I would like to draw particular attention to the singularly effective contribution of my colleague, the Minister of Finance.

Some hon. Members: Hear, hear!

Mr. Trudeau: His ability and good judgment have won for him the respect and confidence of the people of Canada, as well as the high regard of the representatives of other countries who have chosen him as the chairman of one of the most critically important committees of the International Monetary Fund.

Despite the evidence of Canada's strong performance in relation to other countries, we in the government are the first to admit that the pervasive disease of inflation continues to pose a very serious threat to the economic health of Canada and the world. It continues to breed a sense of fear and futility, especially among those who neither