

Oral Questions

that the increases in the cost of living which came out today are disastrous for pensioners, the unemployed, single parent families and people who are living on fixed incomes, many of whom are struggling to get by on less than \$350 a month and who now have to fork out \$20, \$30, or \$40 per month more for food.

Rather than have these people resort to perhaps the only means they will have—that of perhaps going out to buy dog food to feed themselves—and rather than relying on programs that simply do not work, what assistance, what hope, can the minister give these people, other than the counselling given them by the Prime Minister, that they should spend less on other essential goods? I ask the minister what hope is there for them, and I ask every backbench Liberal member of Parliament to join in that plea.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to remind the hon. member that I regard inflation as a very serious problem and especially its impact upon, not only all Canadians, but the groups which we have been discussing during the oral question period. I have explained that at the present time, because of action taken by this Parliament through a variety of programs, there is built into these programs basic protection against inflation. For 1980 that protection will amount to about \$3 billion.

I would ask the hon. member who is so indignant to remind herself that last December the former minister of finance—

Mr. Malone: Get off that kick.

Mr. MacEachen: —was prepared to live with a rate of inflation for 1980 of 11 per cent.

Miss MacDonald: What are you doing about it?

Mr. MacEachen: The rate of inflation which we are experiencing at the present time, as serious as it is, is less than 11 per cent.

Mr. Clark: That is false.

Mr. MacEachen: I did not hear the hon. member's voice raised for the poor in those days.

Some hon. Members: Hear, hear!

Miss MacDonald: Madam Speaker, surely the Minister of Finance is not so stupid that he does not realize that the indexing of which he spoke does not apply in the same way to the poor of this country as it does to the middle-income earners of this country. Since the minister has brought up this question of indexing and how it will apply, would he consider, instead of the formula we now have for the low-income earners of this country, a formula of indexing based on the real increases in the cost of food, transportation, housing, lodging and the cost of fuel oil for low-income families in this country so that they will receive a benefit which they are now denied?

Mr. MacEachen: Madam Speaker, I remind the hon. member that the indexing that presently exists is basically for programs that affect the group in the lower third of the economy. The indexing, or the protection against inflation, is protection against real items that people use in their daily lives.

Miss MacDonald: Luxury items.

Mr. MacEachen: The hon. member knows that as well as I. But what the hon. member has not told me yet is why she is prepared to live with an 11 per cent inflation rate for 1980 as projected by her colleague, the former minister of finance. Knowing as they did one year ago that the inflation rate would be 11 per cent, they even failed to take action to increase the guaranteed income supplement. That is the record of that party.

Some hon. Members: Hear, hear!

* * *

SMALL BUSINESS**INQUIRY RESPECTING INTRODUCTION OF LONG-TERM ASSISTANCE MEASURES**

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, if hon. members opposite would return to their ridings and speak to their small business communities, it would be perfectly clear to them, as it is on our side, that this government's present policy of high interest rates is having a devastating effect on this vital sector of the economy. The Minister of State for Small Businesses, to which this question is addressed, knows full well that over the past year 6,000 businesses have declared bankruptcy. The rates in Newfoundland have been as high as 131 per cent, in Manitoba as high as 60 per cent and in Quebec the rate is 27 per cent.

I am sure that the minister is also well aware that many more businesses—

Madam Speaker: Order, please. Will the hon. member please put his question immediately.

● (1500)

Mr. Riis: My question for the Minister of State for Small Businesses is this. The only program that has been brought in to assist small business is the small business development bond, which program ends in three months.

Some hon. Members: Question.

Mr. Riis: Is the minister going to introduce any long-term measure to help the small business community handle costs, not just new capital expenditure but inventory costs and other every day expenses which small businesses must endure? I ask the minister not to tell us that he is studying the matter, because you cannot meet payrolls with studies.