

Oral Questions

● (1110)

ORAL QUESTION PERIOD

[English]

FINANCE

CURRENT FISCAL POSITION OF GOVERNMENT IN LIGHT
OF ADDITIONAL EXPENDITURES RECENTLY
ANNOUNCED—SUGGESTED INDEPENDENT ECONOMIC
FORECASTING UNIT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance who made a statement to the press in August regarding the revised budgetary position of the government. Is it now the minister's intention to make a statement in the House as to the currently revised fiscal position of the government?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there will probably be an opportunity to do that very shortly, I should imagine, as a result of the announcement by the House leader this morning. It is obvious that the measures recently brought before the House as a result of the announcement on August 13 and the announcement this week by the Prime Minister have added about \$292 million to the costs as against revenue.

Mr. Stanfield: I take it from what the minister says that he will be prepared to participate in the debate on Monday next. In view of the statement the minister made to the press in August in which he indicated that he had emphasized to the government the importance of choosing carefully among spending programs in order to keep spending within the adopted fiscal stance. I now ask the minister whether he proposes to cut back on other expenditures in view of the increased expenditures announced or whether he has changed his stance or whether the Prime Minister has changed his stance for him?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the total fiscal stance or cash requirements of the government will depend not only upon the increased expenditures I have just referred to but on what the revenue picture brings in. In any event, the hon. member mentioned priorities. The government felt there could be no higher priority at this stage than to protect Canadians in the low income and fixed income groups against the erosion of inflation. That was the purpose of these expenditures. As an additional purpose, in macro-economic terms—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I just wanted to bring some members of the House into the picture—I would hope that the additional disposable income made available to Canadians as a counter action against the erosion of inflation would have a stabilizing effect not only on profits but on incomes.

Mr. Speaker: Order, please. I have to interrupt the minister.

Mr. Stanfield: One further supplementary, Mr. Speaker. We will look to Monday for further enlightenment, but in the meantime the Minister of Finance has been gyrating at

[Mr. MacEachen.]

a new record rate. In view of the great divergence between the revenue the minister is taking in and the revenue he is estimating, according to his own admission to the press in August, I should like to ask if he is now prepared to support the establishment of an independent forecasting unit so we can get something like accurate economic forecasting in this country?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not think any forecaster in this country or anywhere in the world, whether public, private, academic, business or labour, was able to forecast, first, the strength of the economy or, second, the worldwide rate of inflation, both of which have affected the revenues of the government.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Egmont on a supplementary and then the hon. member for Northwest Territories.

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the Minister of Finance. Since the minister admitted in August that revenues were exceeding the original expectation in his budget forecast in February by some half a billion dollars, and since the cost to the treasury of the announcement made earlier by the Prime Minister is some \$290 million, is the minister prepared to indicate that government revenues will still create an inflationary factor among the general public? Further, will the minister be prepared on Monday to tell the House to what extent the inflationary effect of the Prime Minister's earlier announcement will really relieve the problems of low income families and those who have to pay very high interest rates in terms of housing costs particularly?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will take those remarks carefully into consideration in framing what I might like to say.

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INDIAN AFFAIRS

NORTHWEST TERRITORIES—GOVERNMENT POSITION
RESPECTING JUDGMENT ON CAVEAT APPLICATION—
PAYMENT OF DEFENCE COUNSEL'S FEES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the Minister of Justice I should like to direct my question to the Prime Minister. Now that the Supreme Court of the Northwest Territories has ruled in favour of the caveat application of the Northwest Territories Indian Brotherhood, can the Prime Minister tell the House whether it is the intention of the government to accept this judgment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have been informed by the Department of Justice that they have not received the judgment yet. I believe that they have received the conclusion but they are only expecting the judgment which is a long one, some 60 pages, I am told, by Sunday night. They propose to examine the judgment and ascertain the conclusions and motives for the judgment and decide whether or not an appeal is in order.