

Economic Conditions

talking to a working Canadian in Halifax who is a non-trade unionist and who is working at wages perhaps below the poverty level or, better still, talking to an unemployed Canadian anywhere in our land and telling that Canadian, whether a man or a woman, who has to pay these prices that he or she should change their priorities. I say it is time the Prime Minister and the Government of Canada changed their priorities in dealing with the economy, and with food prices in particular.

Some hon. Members: Hear, hear!

Mr. Broadbent: The point is that interest rates have a profound human impact on almost every aspect of existence in our land. They are not something abstract in their effect, and a caring government would respond with care and concern for the people who are being harmed by these interest rates.

Having made this criticism, having stated that, contrary to what the Minister of Finance has said today, we do have an economic crisis in Canada, I want to suggest to the minister that for once he not only listen but that he open his mind just a bit to opposition suggestions for change for improvement. He does not need to be, as he said this afternoon "driven into panic reaction" by us in the New Democratic Party. Instead, he should be driven into action by recognizing the economic reality faced by Canadians. I say in this context that the minister, who is so interested in having his government follow interest rate policies in the United States, should read the business section of *The Globe and Mail* today. It might have been brought to his attention already, in which case he would be aware that a senior aid to president-elect Reagan has said that the president-elect of the United States is contemplating declaring "a national economic emergency" as soon as he assumes office in January. He intends to make that declaration—and that is serious in American politics—to indicate that the economy and its effect on the Americans is his number one concern. I say it is time the Government of Canada declared we face an economic emergency situation now requiring emergency action.

Some hon. Members: Hear, hear!

Mr. Broadbent: Here are some specific suggestions, and I would like to hear the minister respond to them with something more than rhetoric, to use his favourite phrase of today. First, we should call an end to jacking up our interest rates right in step with what happens in the United States. We should have—and the minister knows the term very well—a clean float with the Canadian dollar, and we mean that with all its implications because in this party we do not believe in a policy which will just have some short-run effects for two weeks or three weeks. I say to the minister in this context that we would acknowledge, if we had a clean float with the dollar instead of using interest rates to prop it up, that there would be, in the short run, some negative impact on the cost of living. I acknowledge that, but we say that in the long run the effects will be positive, as has been seen in other countries. If we have a clean float and the dollar is allowed to seek its own level, it

would mean for Canada an immediate increase in export sales, it would mean that Canadians would start buying more goods and services produced in Canada, it would mean that the Canadian economy would ultimately become more efficient and competitive, and that should be the major objective of economic policy. It is time the Minister of Finance recognized it.

Some hon. Members: Hear, hear!

Mr. Broadbent: Second, we say that the three-week recess we are now going into should be used as a time for the minister to sit back and think about his budget which turned out to be inaccurate in all its major forecasts, which turned out to be a totally inadequate instrument in terms of responding to what is taking place in the U.S. economy and elsewhere, and promise the House that when we come back on January 12 he will present us with a new budget which will deal with the economic crisis. That is the kind of commitment we are looking for tonight from the Minister of Finance. We are saying that in that budget there should be a cost of living tax credit which will enable low and middle-income Canadians to keep up with the cost of living—perhaps not get ahead of it but to keep up with it. I say to the Minister of Finance that he should know better, and he does know better, instead of talking nonsense as he did in the question period today, he should talk economic reality and acknowledge that a tax reduction for middle and low-income people, when the economy is operating at less than 80 per cent capacity, will indeed cause an increase in demand in the economy. When these middle and low-income people get a tax break and can cope with the cost of living by buying goods and services produced in Canada, not only will they benefit because of the tax concession but the men and women who are currently unemployed across Canada will be hired and put back to work, and that is good because they want work and not handouts.

Some hon. Members: Hear, hear!

Mr. Broadbent: Finally, as another specific suggestion among a number of suggestions one could make, we have recommended the establishment of a fair prices commission. We say that this is constitutionally within the power of the federal government, just as bringing in the wage control program some five years ago was within their power. They could use the same power this time, instead of controlling the wages of Canadians, to do something about the prices affecting Canadians, and they should act on it.

I want to conclude with the following observation. It is time the Government of Canada realized that continued inaction is disastrous economically and morally. It is an indefensible policy. It is time the government admitted that we are in a crisis, that we must declare that rebuilding the Canadian economy and its attendant consequences, the human reality in Canada, is our number one priority. It is time the government recognized that new ideas and policy suggestions are indeed possible. They are vital if we are to deal seriously with the real