

Oral Questions

for these low-income families in Canada who face the prospects of not having enough food on the table or enough fuel oil to keep their families warm?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I take the hon. member's question seriously. I return, in a sense, to the answer I gave to the Leader of the Opposition. I would like to develop it a bit further in reply to the hon. member's question.

At the present time there are in place a large number of fully indexed programs to assist the very groups about which the hon. member expresses concern. I have already referred to the guaranteed income supplement, which is fully indexed. I could refer to old age security, family allowances, the child tax credit and unemployment insurance benefits, all of which are indexed.

Mr. Wilson: Indexed to what?

Mr. MacEachen: They are indexed to protect the recipients of these programs against the kind of rising prices we are experiencing today.

I want to add, Madam Speaker, that this is not just fiction since, through the indexing in 1980 alone, \$3 billion will be transferred through these programs to the groups which the hon. member has mentioned. I think that is a rather significant protection which we are offering at the present time.

The hon. member probably would like—

Some hon. Members: Order!

Mr. McGrath: My supplementary question is for the Minister of Finance. If he wants to relate indexing in real terms, he is talking about a \$2 increase every three months in family allowance payments. Try to match that with a 15.2 per cent increase in food prices. Next year food prices are anticipated to rise by anywhere from 15 per cent to 20 per cent. All I say to the minister, Madam Speaker, is that indexing may be the answer, but what do you base it on? Do you base it on a food basket which includes sirloin steak? It is getting to the point where we are talking about maintaining a decent living standard—

Madam Speaker: Order, please.

Mr. McGrath: —for the working poor of this country. That is no laughing matter.

Madam Speaker: Order, please.

Mr. McGrath: I ask the minister to match his performance with his promises.

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. The hon. member for Broadview-Greenwood.

FINANCE

INTEREST RATE POLICY

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Finance. The minister has repeated today and on a number of occasions in the House the assertion that proposals from this party with respect to interest rates and unemployment are inflationary. I would like to ask the minister to answer the question which he was asked previously by my party's leader, which was: Given the fact that on the figures supplied by governor Bouey the economy is working at less than 80 per cent capacity, that we have over a million people who are really unemployed, what in the name of goodness is inflationary about a refundable tax credit and a fair prices commission?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, here again the New Democratic Party is adding to the kind of irresponsible utterance which is the fashion of its leader by saying that at the present time there are over a million unemployed in Canada.

Mr. Broadbent: In real numbers.

Mr. MacEachen: The hon. member knows that the last seasonally-adjusted statistics from Statistics Canada show unemployment much less than a million. It is bad enough at the level at which we find it, but for hon. members to add an additional 200,000 just for the sake of asking questions on the orders of the day is a bit irresponsible, as far as I am concerned.

Some hon. Members: Hear, hear!

Mr. Rae: Madam Speaker, the minister makes Marie-Antoinette sound like a social worker.

Some hon. Members: Oh, oh!

Mr. Rae: He ignores the fact that there are hundreds of thousands of Canadians who have given up looking for work because of the policies of his government, and if he includes those figures he will see that there are 1.3 million unemployed as of the month of November. The minister simply does not know what he is talking about when he makes that kind of statement.

Some hon. Members: Hear, hear!

Mr. Rae: I would like to ask the minister a supplementary question with respect to the interest rate, which has now reached the phenomenal level of 17.63 per cent as a bank rate. This means real rates of upwards of 20 per cent, 21 per cent, 22 per cent and 23 per cent for the average consumer. The minister has frequently said that the policies are not the result of his government and that if he had his way the interest rate would be at a different level. He has said he would have a different policy if only he could be more independent of the Federal Reserve Board. Would the minister tell the House what rate he thinks is a fair interest rate? Is he prepared to