

FINANCE

INTRODUCTION OF BUDGET

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is also for the Minister of Finance. In light of the figures released by Statistics Canada today showing the real decline in the level of the economy, in light of the fact we are now told by the Minister of Energy, Mines and Resources that it will be some time before an agreement is reached with Alberta and that there is an attempt to find an interim solution, also in light of the lay-offs that are occurring every day—which are causing hardship throughout Canada—is the minister reconsidering his earlier indication to the House that he will not bring in a budget until after an energy agreement is signed and, in any case, not before the fall? Does he not think the time has come, as we begin this cyclical downturn, to bring in a budget so that it will have some effect?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the question of the hon. member contains a large number of implications, including the question of whether at this time it would be my decision to undertake further stimulus to the economy or, to put it another way, to add further to the already high deficit.

As the hon. member knows, the current budgetary deficit is running at about \$14 billion, which in itself is providing considerable support to the economy. I have not reached the conclusion at this point that it would be appropriate to add further to the deficit in the present circumstances.

Mr. Rae: Madam Speaker, I would refer the minister to the report of the Canadian Institute for Economic Policy on Inflation and Unemployment, which points out that government policy, including provincial government policy, since 1975 has not been in a net way, stimulative at all.

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THE CANADIAN ECONOMY

MEASURES TO STIMULATE ECONOMIC GROWTH

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my supplementary question is for the Prime Minister. In light of the fact that on December 13, when the Prime Minister was leader of the opposition, he said that his party would support a policy of cutting taxes and stimulating the growth of the economy, may I ask how he and his party could have supported such a motion on December 13 and now have the Minister of Finance tell the country that it is not the policy of the Liberal party to support cutting taxes or stimulating the growth of the economy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am somewhat surprised at the statement the hon. member attributes to me. I do not recollect saying those things. It seems to me they are things the New Democratic Party was saying.

An hon. Member: They got your vote.

Oral Questions

Mr. Trudeau: If the hon. member wants to say what his party said, he should say so: he should not say that I said it.

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[Translation]

REGIONAL ECONOMIC EXPANSION

INQUIRY WHETHER GOVERNMENT HAS ENTERED INTO AGREEMENTS ON DEVELOPMENT OF EASTERN QUEBEC

Mrs. Éva Côté (Rimouski): Madam Speaker, my question is directed to the Minister of Regional Economic Expansion.

On several occasions the minister said that he wanted to conclude an agreement with the Quebec government for the regional development of eastern Quebec so that the area would no longer be only considered in sectorial agreements now in effect. Could the minister tell the House if such an agreement was officially suggested and what was the response of the Quebec government? In addition, if such an offer was made, could he also tell us what part was played by the Canadian government in that agreement?

Hon. Pierre De Bané (Minister of Regional Economic Expansion): Madam Speaker, indeed the federal government in 1968 with the government of Mr. Daniel Johnson and later with that of Mr. Bourassa succeeded in concluding an agreement under which both governments set up a fund of regional development for the Lower St. Lawrence, the Gaspé Peninsula and the Magdalen Islands. Since 1976, the Quebec government has refused to sign such agreements but yesterday I had the opportunity to explain to the people of the Lower St. Lawrence how since 1976 the investments, expenditures and disbursements have been dramatically reduced since the Quebec government, contrary to the two previous ones, refuses to sign such agreement. This is why I was so much comforted when the Lower St. Lawrence and North Shore Association of Economic Development Officers who belong to various political parties took a position yesterday in favour of another regional agreement, a written proposal which I made three weeks ago—

● (1440)

Madam Speaker: If the hon. minister means to give us a complete historical account of the Eastern Quebec Planning Bureau, I will have to ask him to mention names which are very dear to me. Could he reply very briefly to the question of the hon. member for Rimouski?

Mr. De Bané: Madam Speaker, I understand your remarks; may I suggest, however, that I find quite unacceptable for a government—

Madam Speaker: Order, please. In my opinion, what is acceptable is for the minister to reply very briefly to the