

Oral Questions

Mr. Chrétien: Mr. Speaker, when the news hit the market this morning, the dollar performed very well; it went up to 89.80 cents.

Some hon. Members: Hear, hear!

Some hon. Members: Where is it now?

Mr. Chrétien: It is only when a rumour hits the market to the effect that the Tories were to bring about a big scandal, and there were rumours in the marketplace that three ministers were to resign, that the market deflates.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Chrétien: I think if the next minister of finance were to be the former president of the Bank of Western Canada the dollar would go down very rapidly.

Some hon. Members: Hear, hear!

GOVERNMENT'S INTENTIONS RESPECTING INTRODUCTION OF
BUDGET

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the manner in which the Minister of Finance is coping with this serious crisis makes his predecessor look like an economic genius.

Some hon. Members: Hear, hear!

Mr. Broadbent: I should like to direct my question to the Prime Minister rather than to the Minister of Finance. Considering that the dollar crisis we are facing abroad is directly related to the crisis in confidence that the government is experiencing at home, which is directly related to the 1½ million people who are looking for jobs, can the Prime Minister indicate if he will take steps to finally show some economic leadership, instead of sitting there smirking his way through a crisis, and bring in a budget which will stimulate the economy and produce some jobs?

Some hon. Members: Hear, hear!

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I think hon. members opposite are very ill-advised when they talk about a crisis. In fact, in the month of February the dollar had moved only one point, more or less, and it is not a case of crisis. They are not rendering any service in throwing around a doom and gloom image of Canada.

Some hon. Members: Oh, oh!

Mr. Paproski: You are the doom and gloom.

Mr. Chrétien: I have said many times that I do not intend to bring down a budget before the end of March. Since January 1 we have stimulated the Canadian economy as no other western country has done. We have to see the effect of that before

moving again. I think it would be perfectly irresponsible to bend under pressure that looks very weak from the other side.

● (1427)

Mr. Broadbent: Who does the minister think he is kidding? When the dollar is at its lowest in 45 years, compared to the American dollar, every person in the country knows it is a crisis and it is time the minister recognized it.

Some hon. Members: Hear, hear!

Mr. Broadbent: Considering that the figures released by the minister's own government yesterday show, for the fourth quarter in a row, that manufacturing is only operating at 83 per cent capacity—which means, incidentally, it is three years in a row that more than 15 per cent of the manufacturing capacity in Canada has not been used—will the minister, in the budget that he will bring in, lower taxes for medium and low income earners in order to stimulate the provision of jobs in this country?

Mr. Chrétien: We just did that, starting January 1, when we cut taxes by \$100 for seven million taxpayers in Canada, plus the indexing of the income tax exemption, plus a lot of incentive for the industry to grow. We have stimulated the economy through tax cuts starting January 1 by \$3 billion. I do not think the hon. member can expect the Minister of Finance to come up with such cuts every three months; it would not make sense.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, considering that the very proposals which the minister just rattled off were announced by him in the mini-budget which preceded the Christmas break by two months, and ever since that time the dollar has gone down and unemployment has gone up, I would have thought the minister would have recognized he was wrong last fall and would have decided to bring in a new budget which would stimulate the economy.

An hon. Member: That is a speech, not a question.

Mr. Chrétien: What is the question?

An hon. Member: Resign, Pinocchio.

[Translation]

INQUIRY WHY GOVERNMENT MUST BORROW ABROAD

Mr. Gérard Laprise (Abitibi): Mr. Speaker, my question stems from the statement made last night by the Minister of Finance to the effect that the government intended to borrow abroad to cover the international trade deficit and support the Canadian dollar. The minister stated a few days ago at the first ministers' conference and also in the House of Commons and elsewhere that Canada's performance was the best among industrialized countries. In that case, would he tell the House why he feels obliged to go and humiliate himself in front of those same countries before the Canadian economy collapses?