

that. The minister is incapable of being honest with the public of Canada.

**An hon. Member:** That's right.

**Mr. Crosbie:** Just so the minister cannot escape, I will read from his budget on the inflation side, page 18, "the outlook for the remainder—"

**Madam Speaker:** Order. The hon. member is getting argumentative and I have a feeling he is preparing for quite a lengthy quotation. I would like him to ask his question.

**Mr. Crosbie:** Madam Speaker, the minister has promised a firm stance against inflation. Is he now going to bring in a budget which will introduce policies for that firm stance, and will he now roll back the increase in the price of heating fuel and gasoline, increases of over 37 per cent which have come about in the last 12 months? Will he follow up on his firm promise of January 23 to the people of Port Hawkesbury whom he fooled for the last time last February?

● (1125)

**Mr. MacEachen:** Madam Speaker, I want to advise the hon. member that I have no intention of responding to his daily request for an additional budget. When the budget was presented last October, I clearly stated that the foremost problem facing the Canadian economy was inflation, and that budget established a medium-term assault on the problem of inflation in the form of supporting monetary restraint, in the form of reducing the deficit over time, and in the form of restraining government expenditures. That is the medium-term policy, and it will take some time to succeed.

**Mr. Clark:** Tell us about Petrofina.

**Mr. MacEachen:** If the hon. gentleman opposite, the Leader of the Opposition, or any of the various economic spokesmen have a different proposal or if they want to establish, for example, mandatory wage and price controls, then let them get up and say so, and not provide a different answer every day to the economic problems of the nation.

#### POWER OF GOVERNMENT TO DEAL WITH ECONOMIC EMERGENCIES

**Mr. Edward Broadbent (Oshawa):** Madam Speaker, I have a question for the Prime Minister. Just before Christmas he acknowledged outside the House that the government did have the power, if it declared there was an economic emergency, to take special action. Since today, if we exclude food prices, we have the highest level of inflation in the past 33 years, the lowest level of industrial capacity in 18 years, and more than one million unemployed, the highest level of unemployment since the depression, will the Prime Minister finally acknowledge that we have an economic crisis and instruct the Minister of Finance to bring in a new budget to deal with it?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I am happy to see that the Leader of the New

#### Oral Questions

Democratic Party has now revised his constitutional positions on the matters of energy and inflation. He was advocating all the time that at any moment the federal government could bring in control of prices and wages, but particularly prices. He now understands that it can only be done under the emergency power, under the BNA Act. It cannot be done without that power.

He will recall that after the 1975 imposition of wage and price controls the matter went to the Supreme Court of Canada, and it was judged there that the only reason controls were *intra vires* was that there was in effect an emergency recognized as such by all the governments of Canada. This is not the situation now. We do not see the premiers asking for stronger federal intervention in order to curtail what the hon. member describes as a crisis.

#### REQUEST FOR INVOLVEMENT OF PROVINCIAL PREMIERS

**Mr. Edward Broadbent (Oshawa):** Madam Speaker, it is the Prime Minister who has revised his position, not me. It was my question before Christmas which pointed out that we had an economic crisis and that the Prime Minister had authority to act.

At the time he brought in a wage control program we had a level of inflation lower than that which we have now. We had a level of unemployment lower than what we have now. Will the Prime Minister not take some initiative, contact the premiers, point out to them that the problems right now have nothing to do with increasing wages but everything to do with escalating prices, and ask for their support to bring in special powers to deal with the inflation which is affecting every family in the country?

**Right Hon. P. E. Trudeau (Prime Minister):** The hon. member is right. At this time the greatest inflationary pressure is coming from higher energy costs. If the Leader of the New Democratic Party looks at the recent report on inflation, he will see that that is one of the principal factors and that, of course, is because of the world price of energy.

**Some hon. Members:** Oh, oh!

**Mr. Trudeau:** In Canada we are keeping energy prices below the world price. We are not, as had been advocated by the Tory party, going to 85 per cent of world prices. That is the difference between us.

In so far as wages are concerned, the hon. member is right. They are not at the level they were at when we brought in controls in 1975, at which time the average settlements were in the area of 20 per cent. That is why the country was particularly concerned. We believe now that there is a more voluntary concern about the state of the economy and more co-operation, except from the Tories, in the fight against inflation.

● (1130)

**Mr. Broadbent:** Madam Speaker, that is precisely the point. The Prime Minister waited last time until wages went way up