

Oral Questions

REQUEST THAT GOVERNMENT GIVE INCREASED ASSISTANCE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, a problem has developed with the banks imposing quotas on students. This is because the banks are effectively subsidizing student loans by about 3 per cent or 4 per cent. Something the government could do—and the Prime Minister could make an announcement today in the House, if he just would—is to make up the 3 per cent. It is clearly in our best interests. If the government does not do that, the students will quit university and go on full welfare. Will the government, through the Prime Minister, give a commitment today to increase government assistance toward these subsidized interest loans?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is not only talking about young people but students. I would remind him of the figures that were made public at the time we met with the provinces in February to discuss federal assistance to post-secondary education. He will recall from those figures that, in the last five years, the federal government's share of the operating costs of post-secondary education across Canada had risen from 42 per cent to 58 per cent, whereas the provincial share had fallen from 43 per cent to something in the area of 30 per cent. It is the students who have to pay a higher percentage of the costs along with the federal government. This is in an area of provincial jurisdiction. Therefore, the hon. member should be expressing his concern, which is justified, not to the federal government, which is picking up an increasingly large part of the tab of post-secondary education, but to the provinces that have sorely neglected their duty in that area.

* * *

THE ECONOMY

DECLINE IN CONSUMER SPENDING

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister. We had another economic report recently. Yesterday the Conference Board of Canada noted that there had been virtual stagnation in the real income of Canadians and, as a consequence, there has been a fall off in consumer spending which has worsened the unemployment situation. Will the government admit that the principal consequence of its budget, with its wage control policy, will be to take even more money out of the economy, to reduce further consumer spending, and therefore to increase unemployment? Will the Prime Minister admit that the budget will worsen the unemployment situation in the country rather than help it?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am afraid the hon. member during his absence did not take time to study the budget, which was perhaps too complex a document for him. If he did, if he took the time to do that, he would see that the Minister of Finance in his budget did not increase the deficit and did not reduce it either.

The deficit, through the operation of the June budget, has not been changed. The money which has been taken out of the economy is being put back into the economy by various ministers precisely to create jobs across the country. That is a perfect expression of what the government intended to do—to take money from those who have incomes and those who have jobs and to use it in order to help create jobs. Therefore it is not as though the government is reducing something. The government is just taking money from those who have it and spending it to give jobs to those who do not.

Mr. Broadbent: Madam Speaker, before I ask my second question, I want the Prime Minister to know that I took the ten minutes out which were required to read and understand the budget. Even with that ten minutes of attention, one noted that with the increase in taxes on all Canadians, the reduction in pensions and the reduction in family allowances, there will be a major withdrawal of spending from the economy, no matter what the Prime Minister says.

UNEMPLOYMENT FORECAST

Hon. Edward Broadbent (Oshawa): Madam Speaker, at the time of the budget the government refused to give us a percentage forecast of unemployment for the coming year. The Conference Board has now told us that in its judgment, in addition to the judgment of the New Democratic Party, unemployment will remain above 10 per cent not only for the rest of this year but all of 1983. Does the Prime Minister agree with this forecast of the Conference Board that it will remain above 10 per cent to the end of 1983? If he does not agree, why not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member says that he took ten minutes to read the budget and concluded that there will be a major withdrawal. I submit that perhaps he needs more than ten minutes to understand what is taking place with this budget.

An hon. Member: He can't concentrate that long.

Mr. Trudeau: Perhaps that is true.

Money is to be spent over the year by citizens who have incomes and pay taxes. It will be withdrawn from those citizens over the year and spent over the year in order to give jobs to those who do not, in order to give support to those who do not, and in order to create employment opportunities for those who are unemployed. That is the purpose of the budget.

If the hon. member wants to argue that we should have increased the deficit further and injected more funds into the economy, perhaps that would be an unsound economic position but at least it would show that the hon. member had understood the budget. I am afraid he has not, and I must ask him to return to the budget figures.

In so far as the forecast is concerned, I am not in a position to comment on those statistics. First of all, I have not seen them. Second of all, I would be very cautious in predicting any