

Oral Questions

of days left before the end of June in which to pass all the necessary legislation. If the hon. member's party is so earnest about wanting to debate this subject, I make a proposal now that we would take one government day if the NDP would take one NDP day—

Mr. Nystrom: Agreed!

Mr. Trudeau:—and the Tory party would take one NDP day—

Mr. Nielsen: Agreed!

Mr. Trudeau:—take one of its opposition days so that we could have a significant and worth-while debate. I suspect that the question asked by the hon. member should not be put to this side but to his own leader in this House.

QUERY RESPECTING DEBATE

Mr. Douglas Roche (Edmonton South): Madam Speaker, I am directing my questions to the Prime Minister because he is the Leader of the Government and has the responsibility to bring a government plan on foreign affairs and the North-South question into the House of Commons. I ask him now, specifically, if a debate on foreign affairs in the House of Commons is conditional upon the other parties giving up an opposition day?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is not conditional. I just want to make it evident that the hon. member is not in a party which welcomes this debate; he is in a party which, he will recall, was led by a foreign minister who was indicating her interest in sharing more with the southern countries, at the very moment that the minister of finance of that government was saying that there would not be another penny for the Third World. They cannot get their act together, Madam Speaker.

Mr. Crosbie: That is a false statement; absolutely false.

Mr. Trudeau: Until they do, I suggest it would be difficult to give the kind of leadership to the Canadian people that we on this side believe should be given.

Mr. Baker (Nepean-Carleton): You are stretching the truth as usual.

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THE ECONOMY

RE-EXAMINATION OF GOVERNMENT SPENDING

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Finance. When addressing the Senate Standing Committee on National Finance on May 26, 1981, the Governor of the Bank of Canada stated as follows: "I do not think it is realistic to suppose that an economy like ours will work well under

conditions of rising inflation. Rising inflation", he said "is a recipe for stagnation, not for prosperity."

Since interest rates are still rising, our dollar is still falling, and failure to face up to the problem of inflation will compound our economic problems, has the minister considered requesting all ministers and deputy ministers to re-examine their departments' spending programs in the hope that cuts can be made which will help lower the deficit without hurting those who really need help?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I stated in the budget of last October that expenditure restraint is one of the key elements in the government's fiscal plan. As part of that fiscal plan we have undertaken not to increase the level of government expenditures more than the growth in the economy itself. That is a long-term effort to restrain expenditures, but obviously with respect to the current situation and in preparation for a forthcoming budget, the President of the Treasury Board and his officials, along with mine, will be examining all possibilities with respect to further restraint.

FISCAL POLICY

Mr. Lloyd R. Crouse (South Shore): I have a supplementary question, Madam Speaker. As the minister is well aware, nothing stimulates inflation like indifference to it. History gives us many examples of countries that have tried to deal with 20 per cent, 100 per cent and even 1,000 per cent inflation. Eventually they have had to start on the long, hard road back.

Since in some cases of extreme inflation, democratic governments were the casualties in the process, at what stage in our present inflationary spiral will the government announce a new fiscal policy in order to lower this deficit?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as was also indicated in the budget, we have projected a gradual decrease in the size of the deficit.

● (1450)

In my remarks over the weekend, to which the hon. member for Winnipeg referred—

Mr. Knowles: Took exception.

Mr. MacEachen:—I spoke at some length about the importance of reducing the deficit as part of an over-all effort to reduce inflation. The hon. member cited with some approval the comments in the Senate standing committee by the Governor of the Bank of Canada who is following an anti-inflationary monetary policy. I assume the hon. member is fully in support of that anti-inflationary monetary policy in the same way that the hon. member for St. John's West demonstrated in his interesting interview on the weekend, namely, full support.