

Oral Questions

Mr. Speaker: Perhaps the hon. member would permit me to allow his supplementary in a moment. The hon. member for Qu'Appelle-Moose Mountain.

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THE CANADIAN ECONOMY**SUGGESTED PROGRAM OF EXPANSION TO FIGHT INFLATION—GOVERNMENT POSITION**

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is to the Prime Minister. In view of the Napoleonic retreat last night of the Minister of Finance from the silly and unworkable export tax on resource industries, would the Prime Minister now give an answer to my proposal of December 19 last which I will repeat for him:

... would the Prime Minister give serious consideration over the next three or four weeks to re-examining the whole course that the government is taking because I believe it is heading us toward a recession, and would he turn the whole program of the government around into one of expansion so as to give the government time to get at the basic cause of inflation, which this program is not doing?

Could I have an answer to that question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, perhaps I could answer in terms of the reference in the preamble to the question. The hon. member surely is aware that one of Napoleon's most spectacular retreats, one of several days, ended in the greatest of his victories at Austerlitz and this is the way—

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I could remind the Prime Minister that following that victory at Austerlitz there was also the defeat at Waterloo.

Mr. Trudeau: Because he attacked.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, in view of the fact that the Prime Minister did not see fit to answer the serious proposal I made to him on December 19 about the direction in which he is taking this country, I should like to ask him another question. In view of the fact that current economic indicators show that the recovery of Canada from the recession of 1974 was checked in the last quarter of 1975 by the application of the traditional prescriptions of the mandarins of the civil service, which have been wrong consistently over the last 30 years, would the Prime Minister himself read Chapter 20 of the Porter Royal Commission, particularly the second last paragraph which reads:

The full growth potential of the economy will only be realized if appropriate monetary and fiscal policies are combined with measures to develop the economy's skills and levels of education, to encourage saving, investment and risk-taking, and to ensure that production is organized efficiently.

Would the Prime Minister commit himself to reading this chapter 20 of the Porter Royal Commission report?

Mr. Speaker: Order, please. The hon. member for Esquimalt-Saanich.

[Mr. Howie.]

ANTI-INFLATION PROGRAM—RECONCILIATION OF EIGHTEEN-MONTH AGREEMENT WITH PROVINCES WITH THREE-YEAR PERIOD FOR PROGRAM

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my question also is addressed to the Prime Minister. Since he seems determined to head either for Austerlitz or Waterloo, I should like to give him an opportunity to explain to this House how he has managed to reconcile agreement on an 18-month basis, as adopted by the four provincial governments with which some sort of understanding has been reached, with the three-year duration of the anti-inflation program under federal law? Does this mean that the program can last for no more than 18 months or is there some secret renewal agreement proviso included in the present agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no secret renewal agreement. It seems to me this question is in essence almost as unreasonable as the preceding one. It shows a lack of understanding of the approach of the government to this whole matter. We think three years is the appropriate time. That is why it is written into the law. The provinces in many cases just wanted to sign for 18 months. Surely it was proper for us to say: "Okay, sign for 18 months. There is an effective provision for a re-debate of the question in the House of Commons. We believe you will have to sign for another 18 months, but we will cross that bridge when we come to it." The important thing is to make the program work now, to have the co-operation of the provinces, and this is what is happening in both cases.

ANTI-INFLATION PROGRAM—DATE OF SIGNING AND DURATION OF AGREEMENT WITH PROVINCES

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my supplementary is further to this whole debate. Can the Prime Minister say whether he anticipates early settlements with the other six provinces on either a three-year term or on an 18-month basis and can he feel even reasonably certain that the program will really get under way and be effective even if the remaining six do not sign? What about the 100 per cent rate hikes by the British Columbia car insurance corporation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House will recall that the federal government was enjoined by the provinces at two interprovincial meetings of premiers in a row, last year and the year before, to do something very energetic, to take leadership in fighting inflation, and so on, and they indicated that they would co-operate. We took the decision in the month of October last. The provinces and the federal government have been putting together these agreements. Three or so have been signed, and several others will be signed in an interim form. It is possible that we will have difficulties with one or two signatures—they might take more than a few days to get, but the program is in place; it is working; it is the federal law and it is compelling on the Canadian people.

We hope the provinces will co-operate with us in every way, as they have indicated their intention of doing and as the premiers indicated their intention of doing at the