

Oral Questions

Affairs, which I find typical, yet weird, on a day that the consumer price index has taken a sharp increase, I will direct my question to the Minister of Finance. Today's consumer price index confirms that nothing is working and that the government has done the impossible. Interest rates are up, unemployment is up, bankruptcies are up, and now the cost of living is going up again. Since today's figures show the complete bankruptcy of the government's anti-inflation policy, what hope will the Minister of Finance be able to give consumers of Canada in terms of getting out of this horrible inflationary spiral?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, yesterday we had a very full day's debate on the economic situation. I participated in that debate and gave my views on the situation and what had to be done in order to bring about changes in the very worrying high inflation which still continues in Canada. I am certainly disappointed that the decline we have experienced for some months in the CPI has reversed itself and that this month shows an increase. Even though it is primarily due to increased food prices and due to changes in provincial retail sales taxes, it is still a matter of concern to me and to all members of the government.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I will read the minister's speech again in *Hansard*, but I do not know what hope he offered to the average supermarket shopper. The minister and any supermarket shopper will know that high food costs, especially of imported goods, account for the largest increases in today's figures. The lower the Canadian dollar continues to fall, the higher the consumer price index will rise in the next year.

RATE OF INFLATION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I want to ask the minister, whose government spends so much time criticizing the American administration, why it is that they are getting their inflation rate down to around 6 per cent while our inflation rate is going up, and we are now at twice the level of U.S. inflation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have had occasion to refer to the good performance in the United States in bringing down inflation, but I notice today that that trend has also been reversed in the United States. There has been a one per cent increase, month to month in the rate of inflation there which, on an annualized basis, would be 12 per cent.

Mr. Scott (Hamilton-Wentworth): During the first five months of this year the American inflation rate was four points lower than ours has been. That was a monthly estimate, and they estimate that by the end of the year their inflation rate will be down to around 5 per cent. That gives American consumers some hope.

BANKRUPTCIES

INCREASE IN NUMBER

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, now that we have the Minister of Consumer and Corporate Affairs in his place, I should like to deal with an area of his responsibility, the bankruptcy branch of Corporate Affairs. In view of the startling statistics that there have been 11,429 personal bankruptcies between January and May of this year, meaning personal tragedy for many Canadians, and that the government's economic policies are destroying families, what help, hope, or specific policies can the Minister of Consumer and Corporate Affairs give these people? Does he have any specific policies in mind which he is recommending to his colleagues in cabinet?

[Translation]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am a little surprised that the hon. member should ask me what my department intends to do to help Canadians who are having financial problems, since it is a fact that for months we have been trying to get a bill through the House that will facilitate the settlement of such problems. The hon. member certainly cannot expect my department to provide macroeconomic solutions, but it is clear that if, through legislation, we can facilitate financial settlements between a person and his creditors, we could most certainly adopt this bill to amend the Bankruptcy Act, which has been eagerly awaited not only by financial institutions and consumer associations but also by the provinces, who have asked the Canadian government to pass this legislation so that they can set up their own provincial system. I trust the hon. member will discuss the matter with his colleagues so that we will be able to pass this bankruptcy legislation as soon as possible.

• (1420)

[English]

Mr. Blenkarn: Madam Speaker, the Minister of Consumer and Corporate Affairs knows that we have agreed to one more speaker on that bill, if he would bring the bill forward and complete the amendments on which he agreed with us in committee.

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THE ECONOMY

STATEMENT MADE BY MINISTER OF STATE FOR ECONOMIC DEVELOPMENT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my supplementary question is directed to the Minister of Finance. The minister will know that his colleague, the Minister of State for Economic Development, stated in Banff that Canadians have never had it so good. Does the minister agree with that view, particularly in light of today's statistics where we now have an 11.8 per cent inflation rate and where it looks