

The Budget—Mr. F. Roy

Mr. Roy (Laval): Mr. Speaker, I believe that I have often defended the interests of my constituents and I challenge the hon. member to show that I have spoken more often in the House than he did. I totally disagree with what he has just said.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please!

Mr. Roy (Beauce): Either the interventions of the hon. member were not relevant or he did not have any influence. Mr. Speaker, what is the state of our economy at the present time? We have an unacceptable level of unemployment. When a country like ours is constantly faced with such an unemployment rate, then all government action is hampered and public budgets are burdened with debts. Because of this, the government deprives itself of a few billion dollars every year when the unemployed ask only to work, be first class citizens and an asset to their families, their area, their province and their country. When we are unable to offer them this possibility, then something is wrong.

Mr. Speaker, we are faced with a record inflation rate. Some will argue of course that we are living in a global context. However, we should not forget that international problems as such do not exist. There are only national problems shifted to an international level. Decisions are not made on the international level, but on the national level. Each country should have enough fortitude to assume its responsibilities and take the necessary steps to have true leadership, the will for action and if the mechanisms fail, to improve them and give institutions the necessary instruments to make them effective and thus bring about results. Mr. Speaker, with respect to our dollar, we were supposed to save, in part at least, the Canadian economy, because we were going to maintain the oil price at 85 per cent of the Chicago rate and the dollar is worth 85 cents. Therefore, if my calculations are right this is equivalent to the value of the American dollar, so nothing has changed.

As far as energy is concerned, what is the government policy? What was the policy of the former government? Are our problems just recent or do they go back to months or years? What about projections? What has the new government done since May 22, when the voters defeated the former government and decided to elect a new government full of good will after having made many promises to give rise to great expectations among the people?

● (1600)

And where do we stand today, as far as energy is concerned? The government starts by reaching into the pockets of the taxpayers before announcing particular programs which remain to be finalized. And yet, our hon. colleagues who are now managing the affairs of our country, after such a long time spent in the opposition, should have had sufficient time to

[Mr. Roy (Beauce).]

examine the records. In all that time you would think that they saw enough budgets to prepare their political platform. I suggest that they have been in power long enough and have had enough cabinet and committee meetings to be able to announce to the Canadian public at the same time as the budget, if not a few days before, their decision about what is to be expected. All the while the taxpayers are paying, the unemployment rate is high, inflation is rampant, the Canadian dollar is ailing, and the very important subject of energy policy is causing considerable concern to the Canadian public. They are still waiting.

Mr. Speaker, to solve unemployment they are looking for a magic formula, a single formula for Canada as a whole. However the rate is very high in the maritimes, somewhat less but still too high in Quebec, and lower still in other areas. But in fact, in this large country of ours, we have provincial governments that are capable of taking their responsibilities, capable of acting. And rather than infringing on their jurisdiction, we should give them the means to assume those responsibilities. In this way, instead of fighting those governments of whatever political creed, we would co-operate with them, whether they be Social Credit, Liberal—although there are none left—Conservative or NDP governments.

As far as inflation is concerned, there would be much to say. We questioned the Minister of Finance (Mr. Crosbie) in the House, asking why he agreed with the governor of the Bank of Canada who had announced a third increase in the interest rates. At the request of the opposition, the Committee on Finance, Trade and Economic Affairs held sessions, the governor of the Bank of Canada appeared, the Minister of Finance also appeared, and here is what the Minister of Finance said, as appears on page three of his statement:

A third reason for present interest rate levels is the large and growing deficit in the current account of our balance of payments. That cannot be reduced quickly either, and as long as it continues it must be covered by an adequate flow of capital into Canada.

The minister went on to say:

High interest rates counter inflation as they discourage excessive spending. As demand drops, businesses come under competitive pressure, and this helps to keep other costs and prices down.

To the extent that there is a cause and effect relationship directly between interest rates and inflation, it is more accurate to say that inflation causes . . .

—he did not say is the main cause for—

. . . it is more accurate to say that inflation causes higher interest rates than it is today the reverse.

What is the Minister of Finance announcing? Mr. Speaker, in the energy area the government will have to know that there are inequalities between regions, that the problems are different at that level and that there must be a stop to the siphoning off of huge amounts of money from certain regions for transfers to other regions. There will have to be some compensations, some new formulas, some answers in order to have an economic balance based on values, capabilities and resources which are available in the various regions and provinces which