

*Oral Questions*

Minister of Finance continue with their opposite fiscal policy of attempting to slow down the economy by maintaining high interest rates.

We call upon the government and the Minister of Finance to abandon their ill-found fiscal policy and to heed the cries from Quebec.

\* \* \*

**POST OFFICE CLOSURE**

**Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso):** Mr. Speaker, the community of Orangedale, Nova Scotia, is a good example of the results of what the government is doing to rural and small-town Canada. In January, the community lost its CN VIA rail station which had been a landmark for this picturesque community for over 100 years. Now, Orangedale residents have learned that Canada Post plans to close its post office there on May 15. This is the unkindest, cruelest cut of all.

The government is not content with taking the heart of the community, now it must rob its soul. The vital service is mainly used by senior citizens who are now forced to travel 20 miles to Whycomogah to handle their special mailing and money orders.

Canada Post, in announcing this decision, offered them a retail postal service with no money to finance it. Instead they are being told that they must accept a rural route delivery which is totally unacceptable to the community of Orangedale.

**ORAL QUESTION PERIOD**

[English]

**THE ECONOMY**

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, I have a question for the Minister of Finance. Yesterday the government's own Department of Consumer and Corporate Affairs released very troubling figures about bankruptcy in Canada. These figures are another brush stroke in the evolving picture—another *Voice of Fire*, for that matter—of the failure of the government's economic policies.

The Department of Consumer and Corporate Affairs stated that bankruptcies across Canada soared 29 per

cent in the first three months of 1990. Katherine Swift, Chief Economist for the Canadian Federation of Independent Business, said about these figures:

The first quarter statistics are certainly corroborating peoples' suspicions of an economic downturn generally.

She went on to say:

I wouldn't be surprised if we see worse numbers over the next few months.

Why is the minister continuing with policies that are clearly causing financial crisis for thousands of Canadians?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I view those numbers with no pleasure at all. The hon. member has asked why are we doing what we are doing.

It is not unusual at this stage of economic development in the business cycle for the level of business bankruptcies to increase. However, it would be far worse if we ignored the inflationary problem today and delayed taking action. If we did so, we would see a much higher level of inflation, a much higher level of interest rates, and the consequent still higher level of bankruptcies that would flow from that.

That is the clear policy of the Government of Canada. I have made that clear in every answer that I have given to the House so far this week.

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, the minister's problem is that he is not only concerned about inflation, but he is also obsessed with it, to the exclusion of concern about any other economic indicator. Yet the minister and the government insist on imposing a 7 per cent goods and services tax on just about everything, a tax which the minister himself admits will increase inflation.

Yesterday, Mr. Laurent Thibault, President of the Canadian Manufacturer's Association, confirmed views that have been expressed by many people across the country and in the House when he said that some middlemen will take advantage of the replacement of the manufacturer's sales tax with the goods and services tax to raise prices.

Mr. Thibault said:

That's the difficulty in trying to make a promise that prices will be lower.

Why is the minister continuing to make promises about the goods and services tax that likely will not and cannot be kept? If he is really concerned about inflation,