

Oral Questions

Mr. Broadbent: This means a record number of bankruptcies, record food prices and record levels of mortgage interest rates.

An hon. Member: And your party supported them.

Mr. Broadbent: Will the Prime Minister now acknowledge that all the forecasts and alleged solutions which were to be provided in the minister's October budget are no longer relevant? Will the government use the Christmas recess to prepare a new budget which deals with the economic crisis, to be brought before the House in January?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am glad the hon. member for Oshawa raised this question because yesterday in his questioning he talked about the budget presented on October 28 as being outdated. If he is referring to the inflationary pressure evident in the cost of living figures today, he ought to recognize that the budget of last October recognized inflation as the chief problem facing the Canadian economy and attempted to alert the Canadian people and the House of Commons to the threat that inflation is posing to the country. If he wants me to read the passages in that particular budget—

Mr. Broadbent: No.

Mr. MacEachen:—which outline my concern about inflation, then I will do so. I laid out in that budget a medium-term strategy which is intended to gear down inflation. The hon. member ought to read the budget presented last October rather than ask for a new one.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, I and other members on this side of the House not only read it, but we heard the minister present that disastrous budget.

Some hon. Members: Right on.

Mr. Broadbent: In the budget there is a \$500 increase in indirect taxes for every Canadian family. The minister knows that increases the cost of living; it does not reduce it.

Perhaps the Prime Minister would answer just the odd question today, since allegedly he is responsible for the government. Instead of offering what many of us regard as gratuitous and insulting advice to Canadians about changing their priorities in terms of eating, would he accept a reasonable proposal for average and low-income Canadians and bring it in during the new year, namely, a tax cut related to the cost of living, one which would ensure that low-income Canadians get more than middle or upper-income Canadians?

Mr. Crosbie: As my budget did.

Mr. MacEachen: Madam Speaker, today the hon. member is complaining about the pressure on prices and the danger of

inflation. At the same time he is making a proposal, namely a reduction in taxes, which in the present circumstances would have a very significant impact on increasing inflation.

Mr. Broadbent: No.

Mr. MacEachen: Every proposal which has come from the New Democratic Party in this Parliament, if accepted, would lead to greater inflation and higher prices in this country. The policy put forward by the hon. member is irresponsible, and we would not accept it.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, that is a disgrace for a man holding the position of Minister of Finance. He ought to know that when we are operating only at 80 per cent capacity, by reducing taxes inflationary pressure will not be put on the economy; all it will do is create a few more jobs. The minister ought to know that.

I should like to ask either the Prime Minister, who is sitting there smiling smugly through this crisis, or the Minister of Finance, a question. Having turned down suggestions coming from both opposition parties for tax cuts, a fair prices commission, aid related to energy costs, having rejected all these solutions or proposals which would help a little, is the Government of Canada saying that it will do nothing while the people of Canada suffer through this crisis?

Mr. MacEachen: Madam Speaker, first I ask the Leader of the New Democratic Party to ask himself whether he is performing any service to the Canadian people or to the economy by describing the present situation as a crisis.

Mr. Baker (Nepean-Carleton): Try that question on yourself.

Mr. Broadbent: They know it.

Mr. MacEachen: I regard that as an irresponsible statement which will do nothing but add to the existing uncertainty that is prevailing with respect to interest rates and the exchange value of the Canadian dollar. The Leader of the New Democratic Party is grandstanding every day during question period by these uttering exaggerated statements.

Some hon. Members: Oh, oh!

Mr. MacEachen: I do not intend to be driven into panic reaction by irresponsible suggestions from the Leader of the New Democratic Party.

Mr. Broadbent: Just wake up.

REPORTED WITHHOLDING OF BUDGET TAX BY PROVINCE OF
SASKATCHEWAN

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Deputy Prime Minister and