

Oral Questions

● (1130)

[Translation]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, in his question the right hon. gentleman failed to mention certain facts. For instance, he failed to mention that by indexing the income tax schedule the government makes it possible for Canadian taxpayers to recuperate millions of dollars in purchasing power, which is in fact recovered from the cost of living increase. He failed also to mention that the government regularly indexes such programs as the family allowance program. Again, in his question, he failed to mention that the government, through the Department of National Health and Welfare, has implemented the child tax credit program to assist families with many children. The indexing of the old age security pension and of the guaranteed income supplement are steps the government has taken to assist Canadians to cope with the rising cost of living.

[English]

Mr. Rae: Madam Speaker, the minister has failed to recognize the simple fact that for three years people have been falling behind the cost of living, and now we can anticipate another three or perhaps five years of exactly the same thing happening, with no compensation from the government.

My supplementary question is directed to the same minister. We are suffering an 11 per cent inflation rate and our economy is working at 80 per cent capacity. I wonder if the minister can explain to the House how a continuation of the same policies of high interest rates and stagnant tax policies will get Canadians out of the bog in which they find themselves, when it is exactly those policies which got them into the bog in the first place, policies which were continued by the Tories when they were in government and are being continued today by the Liberal government?

Mr. Crosbie: They are your party; you put them there.

[Translation]

Mr. Bussières: Madam Speaker, it is unfortunate that the hon. member has misread the excellent budget tabled by the Deputy Prime Minister and Minister of Finance. Had he read it properly, he would realize that we are continuing our fight against inflation, establishing a solid base from which to strengthen our economy and especially that we are inviting all Canadians to take up the challenge of energy self-sufficiency and, in that way, to activate our economic development through the injection of billion dollar investments in the field of energy.

[English]

Mr. Rae: Madam Speaker, I have read the budget. We have all read the budget. The fact is that the government opposite has quite simply cooked the books. They produced figures in October which predicted a rate of inflation of 9.7 per cent, and it is running at 10.9 per cent. They said that energy increases would be 15.6 per cent, and they are running at 18.2 per cent.

They said that food would be at 10.1 per cent, and now it is at 12.7 per cent. A budget was produced in October with statements as to what the rate of inflation would be over the next two years, and a month later those figures have been shown to be totally and completely inaccurate. I see the minister shaking his head; they are completely and totally inaccurate. How could the minister expect any reputable person to expect any degree of honesty or credibility from the government, with respect to the economic statistics it is producing, when we see in fact that the figures are completely and totally inaccurate and do not reflect at all what is really going on in the Canadian economy?

[Translation]

Mr. Bussières: Madam Speaker, it is unfortunate that the hon. member feels that his need for rhetoric and for projecting a solid image as a politician must overshadow his knowledge and intelligence. The hon. member is trying to draw long-term conclusions from a figure which applies to only one month or one quarter of a year. He must consider the figures for a longer period, and he should also know that, with the action it is taking, the government will stay within its projected limits because, contrary to the opposition, we believe that all sectors of the economy, all Canadians, will support the government's action and fight against inflation in order to bring the cost of living index back to more reasonable levels.

[English]

INCREASED COST OF FOOD—INQUIRY AS TO GOVERNMENT ACTION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I should like to address my question to the Minister of Consumer and Corporate Affairs. It concerns the cost of food. What cost \$100 in 1971 now costs Canadians \$217.30. The minister claims that he does not understand macroeconomics, so I will keep it simple. What a dollar bought in 1971 now costs \$2.17. Consumers have been hit that much in their shopping baskets in the past nine years. Since the energy prices have not had a chance to work their way through the system yet, I want to ask the minister what steps the government plans to take to offset these inevitable, further shocking increases in the cost of food?

[Translation]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, it is clear that the hon. member like other members before him is trying to be selective in his choice of figures and to stress their incidence on the consumer price index in a devious fashion and with distortion. The hon. member should mention rising wages over the last ten years and he would realize that indeed the average Canadian worker still makes more money at the end of each month in spite of his expenses than he did some ten years ago.