

Some hon. Members: Hear, hear!

Mr. Deans: The high interest rate policy of this government is making it necessary for Canadians in almost every municipality to walk away from their homes which they had saved for and purchased. They are being faced with having to lose their entire investment. I want to ask the minister how long must this decay go on. At what point in the decay will this government move to create policies which will meet the obvious problems confronting by far the vast majority of people in this country today?

Mr. Crosbie: Ask Bob Rae.

[Translation]

Hon. Pierre Bussières (Minister of State, Finance): Madam Speaker, the hon. member has elected to draw conclusions from circumstances of a single moment, from a single snapshot, as though this snapshot provided the complete picture of the Canadian economy for the forthcoming years. The hon. member knows full well that the country is still at grips with major inflationary pressures, that no one has yet come up with a short-term magic formula to solve these problems which are perturbing not only the Canadian economy but indeed the North American economy as a whole. It is through medium and long-term action as well as the concerted effort and will of all economic agents that we will overcome the inflationary threat, allow our economy some breathing space and contribute to its full recovery.

● (1430)

[English]

Mr. Deans: Madam Speaker, the minister speaks of inflation. How does the minister propose that we solve inflation problems in the long run in this country if one of the primary industries is unable to sell its product because of high interest rates, or if the majority of the manufacturing sector is unable to undertake the retooling and development necessary to meet future demands, both here and outside the country, or if the majority of people who are earning today do not make enough money—

Madam Speaker: Order, please. The hon. member has very long preambles to all his questions. I think I have to ask him to co-operate with the House and ask briefer questions.

Mr. Deans: Let me put it quite simply, Madam Speaker.

Some hon. Members: Hear, hear!

Mr. Rae: The higher the interest rates, the longer the preamble!

Some hon. Members: Oh, oh!

Mr. Deans: The minister indicates that high interest rates are necessary to fight inflation. Inflation continues to rise apace with high interest rates.

Some hon. Members: Question.

Oral Questions

Mr. Deans: What does the minister propose to do to bring the interest rates down in order that people can live in Canada in the way to which they are entitled?

[Translation]

Mr. Bussières: Madam Speaker, I am afraid the problems with which our economy must cope are not so simple. We will know better days only if we put time on our side, as well as the concerted effort and will of all the economic agents I mentioned earlier. In his budget speech the Minister of Finance clearly indicated his intention to support fully the Bank of Canada's policy aimed at gradually reducing the money supply through tax measures which will create the fiscal framework necessary for the recovery of the Canadian economy. I am convinced that these medium and long-term measures will carry us through this critical period.

[English]

Mr. Deans: How does the economy recover if people cannot afford to buy?

An hon. Member: Good question.

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NORTH ATLANTIC TREATY ORGANIZATION

SITUATION IN POLAND—POSITION TAKEN BY CANADA AT CONFERENCE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is for the Secretary of State for External Affairs who has just returned from the NATO ministerial meetings in Brussels. All the reports from those meetings—the communiques and statements by other foreign ministers as well as the journalistic reports—have indicated that there was unanimous agreement among the NATO partners that if there was to be Soviet intervention in Poland, it would be met by tough countermeasures of a political and diplomatic nature by the members of NATO. I should like to ask the Secretary of State for External Affairs whether he gave Canada's support to the NATO response in this regard; and second, I should like to ask him if he views the NATO statement as an intervention in Poland's internal affairs?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, Canada not only fully supported but was in part responsible for the NATO consensus. We support very strongly the consensus which emerged and which was stated in the communique. I think the hon. member might have in mind other comments which have been made subsequently by other governments in interpreting the NATO communique or by the Secretary General of NATO. Those comments are not part of the foreign policy of Canada.

An hon. Member: We were not thinking of that.

Miss MacDonald: I set forward the statement which had been made to which the minister had agreed, that there would be tough political, economic and diplomatic countermeasures