

Oral Questions

Mr. Chrétien: I said that I agree with the general thrust of the monetary policies established by the governor of the Bank of Canada.

EFFECT OF BANK RATE INCREASE ON INVESTMENT

Mr. Max Saltsman (Waterloo-Cambridge): Mr. Speaker, I should like to direct my question to the Minister of Finance. It also concerns the raising of the bank rate by half a percentage point, presumably to attract foreign capital into Canada and thus buoy up the Canadian dollar. Completely outside the question of what effect this change in the bank rate may have on our foreign exchange rate—there are many reasons to think that it will have little or no effect—I should like to ask the Minister of Finance some questions about the consequences of this policy on our domestic economy.

Assuming that this change in the bank rate will raise interest rates, it will have a depressing effect on new capital investment—particularly that of Canadian firms—and, while it might attract some foreign investment, it seems to me that it will kill investment by Canadian companies and will in many ways work contrary—

Mr. Speaker: Order, please. If the hon. member has a question, will he put it forthwith.

● (1422)

Mr. Saltsman: Mr. Speaker, in view of the perverse effects this will have, what measures does the minister intend to propose to the House to offset this attack on investment in Canada?

[Translation]

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, if the hon. member reads the statement of the governor of the Bank of Canada I am in complete agreement with him; that increase in the bank rate will have very little influence on the expansionary financial policy of the federal government.

[English]

Mr. Saltsman: Mr. Speaker, the announcement of the bank rate increase comes a day after Statistics Canada announced that sales of some key durables such as stoves and ranges are down about 26 per cent over last January. Assuming that this bank rate increase will further depress the sale of consumer goods—which it might well do—what does the minister propose to do to offset the increase? To say that a .5 per cent increase in the prime rate in Canada will not have a depressing effect is really to ignore the experience of history.

Mr. Chrétien: Mr. Speaker, I do not want to argue with the hon. member, but in reply to his question—if it was a question—I think it is very dangerous to pass judgment after one month's publication. We have to look at the question with a broader perspective. I think the governor of the Bank of Canada had all these factors in mind when he made his decision.

[Mr. Crosbie.]

Mr. Saltsman: I appeal to the Minister of Finance to stop monkeying around with the machinery and let the economy recover without damaging it as he is doing now.

Some hon. Members: Order.

Mr. Speaker: Order, please. The hon. member for Rimouski.

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[Translation]

CENSORSHIP

REQUEST FILM "MANY FACES OF JESUS" BE BANNED IN CANADA

Mr. Eudore Allard (Rimouski): Mr. Speaker, my question is for the Secretary of State. Despite the fact that the province of Quebec has control over the censorship of films, can the minister tell the House whether he intends to oppose the entry in this country of the film *Many Faces of Jesus*?

[English]

Hon. John Roberts (Secretary of State): Mr. Speaker, I am not aware of the film to which the hon. member is referring and I do not know of any basis on which I would oppose the showing of a film in Canada.

[Translation]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the minister does not seem to be aware of the propaganda now being spread in Canada about that horrible film which some would have shown in Canada and which was turned down in England and France, I should like to ask him to kindly confirm with the people or the companies that they want to show this film, and then take the necessary means to oppose the move because we have enough problems here in Canada without importing them from abroad to corrupt our youth even more.

[English]

Mr. Roberts: No, Mr. Speaker, it is not part of my responsibilities to censor films.

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NATIONAL SECURITY

DISTRIBUTION OF SECRET REPORT

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is to the Solicitor General. I am sure the minister is aware of the situation, first revealed by the CBC yesterday and discussed on national television by ex-RCMP Commissioner Kelly today, wherein there apparently has been distributed among several government departments 58 copies of a report or a summary or précis of a report entitled "Canadian Related Activities of the Russian Intelligence Service".

This report, or its précis, allegedly contains information which has formed the subject matter of questions in the House