

Interest Rate Policy

recommended by Premier Blakeney who suggested you could regulate the outflows of oil:

But controlling the flow of oil through a finite number of cross-border pipelines is surely a lot easier than stemming an almost infinite number of currency channels, whether they involve stashing money in suitcases or funnelling it via sophisticated corporate bookkeeping manoeuvres.

In a country as large and heavily dependent upon foreign trade as Canada, it is hard to see exchange controls accomplishing much more than creating a burgeoning bureaucracy, black markets and other assorted economic distortions.

That is perhaps the best, most concise statement of the major problems this country would face with a policy of exchange controls as any statement I have heard so far to date.

We could go on with this. The policies of the government have been recently disputed by Mr. Walter Gordon, the ex-finance minister, for whom I have a great deal of personal respect but with whom I disagree rather strongly on his economic philosophy.

I think we can deal with the particular set of arguments put forward by the Canadian Institute for Economic Policy rather quickly. Its commentary starts off on the basis of a totally erroneous set of hypotheses about the Canadian economy. If you read from the institute's own document you will note it is said that we have interest rates at record high levels, which is true. It then goes on to say that we have a slow rate of growth in the economy. In the last quarter of 1980 the economy grew at an annualized rate of 8 per cent. In the first quarter of 1981 it grew at an annualized rate of 4 per cent to 6 per cent. That is not slow growth by any standards.

The institute goes on to say we are currently running at very high levels of unemployment. We now have the lowest level of unemployment since 1976, just 7 per cent. We would like to see the unemployment rate go even lower, but we are talking about the lowest level it has been at in the last five years. The Canadian Institute for Economic Policy says we have to change the policy because the government's economic policy that is in place is causing stagnation of growth, which is not true, and excessively high levels of unemployment, which is not true. Based upon false premises such as this what good can come from considering much further the analysis by the Canadian Institute for Economic Policy? It has been known to be wrong often in the past and I am afraid its trend has not changed.

● (1710)

We have heard much from the hon. member for Oshawa with regard to the question of bankruptcies as well. None of us in this House wants to see any firm face bankruptcy, but I think the hon. member distorted some of the figures he quoted. He said that bankruptcies were up 70 per cent in the farming community. We had a meeting the other morning with the Ontario Federation of Agriculture, and at that meeting the Ontario Federation of Agriculture gave us a series of documents. One of the documents dealt with farm bankruptcies in Ontario during the first quarter of 1981. I agree that the figure I will quote does represent an increase of 70 per cent over last year, but there are 75,000 farms in Ontario. There were 46 bankruptcies in Ontario in the first quarter of this

year compared with 26 last year. That does not sound to me like rampant bankruptcies. There are 75,000 farms, as I say.

In closing, I would like to refer to bankruptcies in the business community. In April bankruptcies were 3.9 per cent higher than they were a year ago in April. That does not sound to me like rampant increases in bankruptcies.

The point is that if we are going to deal with economic issues, I think we have to deal with the fundamentals of the problems we are faced with, and we have to deal with the issues based upon facts. It does no good to distort the facts and to provide this House with rhetoric, because that does nothing to help the government find the solutions all Canadians want to see.

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to join my colleagues in the House in speaking about this very important issue today, particularly as it affects the most critical social and economic problem in Canada, the problem of Canada's housing crisis, which affects people of all income groups and in every province.

For years the Liberals have treated housing not as a basic need, which we believe it is, but as a tool to pump up or slow down the economy. We hear the minister talking constantly about market needs coming before the needs of the Canadian people. As a result, more than ever before home owners and tenants are the victims of a lack of positive housing policy. And, of course, the problems have become much greater because of the high interest rate policy of the government.

Today it is almost impossible to believe that we can still be shocked by changes in interest rates, but today interest rates are up to over 18.5 per cent, which must surely shock most Canadians very severely. As my leader said earlier, according to our calculations this means that only those earning over \$47,000 a year will be able to purchase new homes. Can hon. members believe it?

Ninety per cent of Canadian families will be unable to purchase homes, if they are not the lucky ones who have homes already. Who earns over \$47,000 a year? Certainly not very many members of Parliament, probably a few highly paid professionals, some corporate bosses, a few movie stars if we happen to have them in Canada, and perhaps one or two football players.

Mr. Mayer: Hockey players.

Mr. Broadbent: And the presidents of banks.

Mrs. Mitchell: And the presidents of banks. These are the only people who can afford new houses today.

Mr. Kempling: Union leaders.

Mrs. Mitchell: Not union people. I can give some facts on that.

Mr. Kempling: How much does Dennis McDermott make?