

Oral Questions

he knows what he can do, and he knows what the consequences are.

STATEMENT MADE BY DEPUTY COMMISSIONER OF RCMP

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am not talking about a radio broadcast, I am talking about a statement made to me by the senior official responsible today for the operations of the RCMP, Deputy Commissioner Jensen. I phoned him and asked him to confirm it, and he did.

Will the Deputy Prime Minister, following Question Period, check this very specific statement made by the Deputy Commissioner and then inform the media and the House of Commons what steps will be taken to protect the integrity of the Government during the investigation which the Deputy Commissioner will confirm to him is under way?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, of course I will take that recommendation and make inquiries as soon as I possibly can. I will report back to the House in the usual way. I think the Hon. Member recognizes that on previous occasions I have taken notice of questions and reported back, and I will do so in this particular case.

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BANK OF CANADA

REQUEST THAT GOVERNMENT ISSUE INSTRUCTIONS ON INTEREST RATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Minister of Finance. I am sure the Deputy Prime Minister will have noted that, without exception, the Premiers representing all regions of Canada—Atlantic Canada, western Canada, and central Canada—who addressed the issue on their way into the meetings that are taking place today in Saskatoon, expressed their concern that interest rates in Canada be kept down.

Within the past hour the Bank of Canada announced a further increase in the bank rate. When will the Government of Canada start accepting its responsibility to the regions in this important matter and instruct the Governor of the Bank of Canada to keep interest rates down?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know that the Hon. Leader of the New Democratic Party will recognize that inflation is not only a serious national problem but a serious regional problem which must be dealt with.

● (1425)

He will recall that, as a result of the high inflation and high interest rate policy of the former Government, this country

suffered not only nationally but in the respective regions. For example, in 1981 the bank rate was at 21.4 per cent.

Mr. Riis: We are different from the Liberals.

Mr. Mazankowski: Just cool your powder there, Mr. House Leader. I will come to you. In September, 1984, it was 12.3 per cent. Today the bank rate is at 9.8 per cent.

At the same time we had inflation rates which were very serious. It affected the incomes of individuals, it affected the business community.

What is important is to ensure that the fight against inflation continues. It is in that regard that the Bank of Canada has established the policy to maintain in a balanced way the lowest possible interest rates while at the same time containing inflation.

[Translation]

GOVERNMENT POLICY ON INTEREST RATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to inform the Deputy Prime Minister that inflation is not a problem, except in the Toronto area. In Canada's other regions, in the Maritimes, the West and Quebec, the problem is not inflation but unemployment.

That is why I wish the Deputy Prime Minister would explain to the House why the Government has an interest rate policy aimed at discouraging investment in most of Canada's regions.

[English]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Leader of the New Democratic Party, who says that he speaks for ordinary Canadians, would recognize that the people who would be hit the hardest by a resurgence of inflation would be those on fixed incomes, senior citizens, those at the lower end of the income scale, or the ordinary Canadians whom he says he represents. If he is suggesting that we should ignore the war against inflation, then he should say so clearly and categorically.

What we and the Bank of Canada are trying to do is establish a balance to ensure that the interest rate levels remain at a tolerable level while at the same time containing the flames of inflation.

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sure the Premier of the Province from where the Deputy Prime Minister comes will be amazed to hear his expression about the flames of inflation in Alberta, or Atlantic Canada or most regions, other than is the case that it is a problem in Metropolitan Toronto where the economy is working flat out.

The rate of inflation even in Toronto has not reached a serious proportion but unemployment remains unacceptably high in most regions. If there is a genuine concern about balanced economic growth over-all, why does the Government