

*Oral Questions*

• (1420)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not blaming anyone. I am looking for solutions. One of those solutions to help get the deficit down, and which many organizations say will help us get interest rates down, is for the Leader of the Opposition and Jean Chrétien, his boss, to pick up the phone and call Allan MacEachen because Allan MacEachen clearly is not calling him.

**Mr. Milliken:** Rubbish.

**Mr. Wilson (Etobicoke Centre):** Rubbish, the hon. member says.

I understand that the Leader of the Opposition in the other place is saying that he is going to go ahead and do these things and he is not going to care about what the member for LaSalle-Émard says, or for what the member for Ottawa-Vanier says or what the member for York-South Weston says.

Mr. Speaker, I am looking for solutions. One of the solutions to dealing with the problem is to get this legislation through because if we cannot get it through, it is going to make it far more difficult to get interest rates down than under the current situation.

**Hon. Herb Gray (Leader of the Opposition):** Mr. Speaker, in blaming the minister and his government for our economic situation, the Economic Council of Canada did not mention the Senate. In saying that we have the first made-in-Canada recession, in other words, made by the policies of this government, the Conference Board of Canada did not blame the Senate. Scotia-MacLeod, the investment bankers, did not blame the Senate when they said, "if we continue on our present high interest rate, high-dollar trend, Canada will lose a great deal of output in labour intensive areas to countries like Mexico or even the United States."

[*Translation*]

I therefore want to ask the minister why he will not admit that he and his government created our present economic wasteland and that he and his government are responsible.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have made it very clear on many occasions why we are in the position that we are with the high interest rates that we have today.

The precise reason is that through 1988 and 1989, as a result of the very strong growth we had in this country, we reached the edge of our capacity to produce. That led to inflationary pressures. We could have ignored those inflationary pressures, as was done earlier in the 1970s and 1980s, but we chose not to do so because we knew if we had ignored those problems, we would have far more serious problems on our hands six months or a year or two down the road.

We faced up to those problems. We brought in a higher interest rate policy precisely to fight the inflationary pressures. We are getting those inflationary pressures under control and as they get further under control, we will be able to see a further reduction in interest rates over and above the 150 basis points that we have seen so far in the last three months.

This is the policy we have been following. It is a policy that is supported by the Economic Council. It is a policy that is supported by other people in the business community. What they would like to see is further action taken on the deficit to take the pressure off interest rates. As I have said time and time again, the members opposite have never provided any support whatsoever to allow—

**An hon. member:** Nonsense.

**Mr. Wilson (Etobicoke Centre):** Nonsense he says. There has never been any support whatsoever to help us get the deficit down and help us deal with the problems of the high interest rate policy.

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## THE ENVIRONMENT

**Mrs. Marlene Catterall (Ottawa West):** Mr. Speaker, my question is for the Minister of the Environment on the Rafferty-Alameda project.

The one deal the minister will admit to making with Premier Devine says specifically that Saskatchewan will not acquire land for the Alameda dam. On Friday, the minister told the House and I quote: "The Saskatchewan cannot proceed with Alameda because they do not have the land, they have not even started the expropriation process". In fact, negotiations to acquire the land have been under way and were in progress as late as 7 p.m. yesterday.

Why did the minister tell the House they have not even started the expropriation process?