HOUSE OF COMMONS

Tuesday, May 15, 1984

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—INTEREST RATE POLICY

Hon. John C. Crosbie (St. John's West) moved:

That this House is of the opinion that the Government of Canada can manage the economy in a way that would allow us to have lower interest rates than Canada now has and that we can have greater independence in interest rate policy despite the Government's failure to meet its commitment to so manage the economy.

He said: Mr. Speaker, the motion, of course, speaks for itself. In connection with the motion I shall quote a statement made by the present Prime Minister (Mr. Trudeau) when he was in opposition and in an election campaign. On February 10, 1980, in an interview with a reporter from the *Toronto Star*, he said:

It is my belief we can manage the economy in a way that would allow us to have lower interest rates than we have now and I think we can have greater independence in interest rate policy.

Our problems then were the same as they are now. As a result of eight or ten years then of poorly conceived and poorly carried out Liberal economic policies, the Canadian dollar was under great pressure, interest rates were rising and the Government that had succeeded that Liberal Government was left in that position by the Liberal Government that preceded it. Today, of course, the Liberal Government succeeded itself: there was only an eight-month interregnum. We have had the problems in a much worse form in the four and a half years that Party has been back in power. At that time, out of opposition, the present Prime Minister said that it was his belief we could manage the economy in a way that would allow us to have lower interest rates and we could have greater independence in interest rate policy.

What does the Prime Minister say now, Mr. Speaker, when he is back in power and has been for four and a half years? What the Prime Minister says now and what the Government says now is entirely different. If we look at *Hansard* for May 10, 1984, page 3594, we find that the Prime Minister, in response to a question posed by the Hon. Member for Kamloops-Shuswap (Mr. Riis), said:

I take it from the Hon. Member's line of attack that he and his Party are now prepared to concede that when the basic rate in the United States goes up, it is impossible for Canadian rates not to go up . . . we cannot divorce ourselves from the American money markets.

That is the statement of the Prime Minister after he fooled the Canadian people, got back into power and has held power for the last four and a half years. He takes the position that when the basic rate in the United States goes up it is impossible for Canadian rates to do anything else.

At page 3592 of *Hansard* we find the Minister of State for Finance (Mr. MacLaren) giving that line as well in response to a question from the Hon. Member for York-Peel (Mr. Stevens). The Minister of Finance said:

—but the Hon. Member opposite should understand that interest rates in Canada are a direct reflection of interest rates in the United States.

We have all heard the present Minister of Finance (Mr. Lalonde) and all the other lackeys of the Government mouth the same line time after time in the last four and a half years. The Liberals say one thing to get into power, but once they are in power they take an entirely different line.

In passing, I might refer to the President of the Treasury Board (Mr. Gray) who on February 7, 1980, on City TV, when asked: "Would you lower interest rates?", said: "Yes, I would". When asked: "Would you be prepared to resign your seat if the Government did not carry through on that policy?", he replied: "Yes, I would".

● (1110)

Of course, we also know that interest rates rose from 14 per cent to 22.5 per cent during that period of this Government, but the President of the Treasury Board never once offered to resign his seat, much less resigned it.

I visited India as part of a parliamentary group two weeks ago. In that country they still have the class known as the "untouchables". In Canada we have a government which should be called the "unspeakable"—unspeakable because of the deceptions it practised on the people of Canada before it came to power and the disappointments it has offered them ever since.

Where is the Minister of Finance today? He is out job hunting. In the *Toronto Daily Star* of May 14, an article appeared entitled "Lalonde heading for France to seek interest-rate relief—and a new job".

Mr. Cullen: You're a candid camera, John.

Mr. Crosbie: We are not allowed to show in this Chamber that the Minister is looking for a new job, according to the Hon. Member for Sarnia-Lambton (Mr. Cullen). The so-called best and the brightest of this Government, the present Minister of Finance, is supposed to be their saviour.