

Oral Questions

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, speaking of disappointments, this government is a disappointment to Canadians. It is time to recognize that.

David Simpson, Executive Director of the Consumers Association of Canada, speaking of the recent increase in interest rates said: "The economy is on the precipice of a recession and this will dry up consumer spending which is needed to turn the economy around.

John Bulloch, President of the Canadian Federation of Independent Business, commenting on the same increases said: "It's a kick in the—" and I am afraid, Mr. Speaker, I cannot use the last word because you may say it is unparliamentary. But members of Parliament can read the words of Mr. Bulloch in the daily press.

If both consumers and business are joining together to speak about the minister's interest rate policy in that way, why is he persisting? Why is he refusing to listen? Why is he continuing to do things which make this government such a disappointment for Canadians?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we continue to do these things because we believe they are the right things to do for this country.

We know that people want to have lower interest rates. We know that the exporters would like to have a lower Canadian dollar. We also know providing that might mean some very short-term benefits for the economy, which is exactly what the Liberal party did in the middle seventies when it swept the inflation problem under the carpet and said: "Nothing is wrong with the economy. Everything is going just right". Then we had the 5.5 per cent level of inflation of 1976 grow to the 13 per cent level of inflation in 1981.

That surely is a lesson that even my friend opposite should not have forgotten. It is the lesson that we are trying to remind people of today as why we must continue with this policy of getting inflation down.

Mr. Jim Peterson (Willowdale): Mr. Speaker, since June of this year the minister's high interest rate policies, high dollar policies have deliberately cost 77,000 Canadians their jobs.

How many more Canadians must lose their jobs, their homes, their businesses, their farms before this govern-

ment comes to its senses? What is killing Canada's economy is not the disease that the minister calls inflation, it is the minister's medicine called recession.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I remind my hon. friend that 227,000 jobs were created last year. Surely, that is not the doom and gloom that he would like to have Canadians believe by the preamble to his question.

The job of government today is to deal with the problems as we see them and deal with them head on. We are doing that.

As I said yesterday to my hon. friend, I have yet to hear an alternative. It is easy to criticize. It is easier to say what we would like to see.

The point that I have to remind my hon. friend of is if he has another way of doing it, if he would like to get interest rates down, then tell me how he would do it. He is nodding his head. I presume that in the preamble to his next question he is going to tell us how he is going to get interest rates down in a meaningful and permanent way.

Mr. Jim Peterson (Willowdale): Mr. Speaker, I think this government's resignation might be the answer.

Yesterday, when confronted in the Chamber, the Minister of Finance in talking about Canada's record current account deficit of \$20 billion with other nations explained as follows. He said it is because of investment. He said: "Companies have confidence—in the policies that this government has been following".

If this is the case, why did the Conference Board of Canada's survey indicate that business confidence in this government's policies is at a record low since 1984. Was this just a typographical error, or was Mr. Karl Beigie correct yesterday when he said: "The economy's headed for the toilet"?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I listened to the hon. member say that the way we can get low interest rates is for this government to resign. That is the sort of flip answer which is going to give Canadians all sorts of confidence in the ability of the Liberal party to come up with the real answers to the problems we are facing today. Surely, my hon. friend can do better than that.