

*Oral Questions*

hon. friend and I agree that the surest and most fundamental way of getting interest rates down is to take every possible step to get the rate of inflation down, a rate which is high and rising, and which can only be the way of providing the guarantee that the hon. member sincerely asks for today. That is my answer to his request for a guarantee.

REQUEST THAT BANKS BE DIRECTED TO REDUCE INTEREST RATES

**Mr. Edward Broadbent (Oshawa):** Madam Speaker, it is clear every day that the only way to get interest rates down in Canada is to change the Government of Canada.

**Some hon. Members:** Hear, hear!

**An hon. Member:** Where were you when we were voting?

**Some hon. Members:** Oh, oh!

**Madam Speaker:** Order, order.

**Mr. Broadbent:** Madam Speaker, we don't want the Tories, who increased interest rates five times when they were in office.

**Some hon. Members:** Oh, oh!

**Mr. Broadbent:** Madam Speaker, at least the deputy governor of the Bank of Canada acknowledged in the same speech that the continuation of high interest rates would mean that Canadians would continue to suffer, more homes would be lost, more businesses would go out of business, and farmers would suffer. If those are the results of high interest rates, and they are indeed the results, why does the government not assume its responsibility and direct the banks to bring down the interest rates?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the hon. member knows perfectly well, and surely he has not been the first to think about a simple solution like that, as if everybody is going around groping for a way to battle inflation, that there is a very easy way, and that is just to direct the governor of the bank to reduce interest rates.

**Mr. Crosbie:** That's what you told us.

**Mr. MacEachen:** That is the simplistic solution proposed by the hon. member. He knows perfectly well that the net effect of that proposal, whatever its effects in the short term, would be increased inflation and subsequently even higher interest rates. That is the result of his policy. He says the only way to get interest rates down is to change the government. I know one way to get interest rates even higher than they are today, and that would be to follow the economic advice of the hon. member.

**Some hon. Members:** Hear, hear!

**Mr. Broadbent:** Madam Speaker, even the minister should know that that is nonsense. I will come to my last question.

**Some hon. Members:** Hear, hear!

PLEA FOR BUDGETARY TAX CUTS

**Mr. Edward Broadbent (Oshawa):** Madam Speaker, I see the minister smiling and I am sure he is smiling about the benefits that are accruing to some people because of high interest rates. He knows full well that not everyone is suffering from high interest rates. Indeed, wealthy investors are doing quite well.

● (1430)

Considering that the standard of living in the average home in Canada has gone down for three years in a row, will the minister at least offer a tax cut in the coming budget for the ordinary Canadian, and make those 160 Canadians who earn more than \$200,000 a year without paying one penny in income tax, pay at least their fair share of taxes?

**Some hon. Members:** Hear, hear!

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the hon. member knows it is not possible for me to tell him what will be in the budget. Having said that, I wonder, if I said yes to the hon. member's question, would he then support the budget I introduced.

**An hon. Member:** We will see the budget first.

\* \* \*

TRANSPORT

COMMITTEE CONSIDERATION OF DECISION AFFECTING VIA RAIL

**Right Hon. Joe Clark (Leader of the Opposition):** Madam Speaker, my question was for the hon. member for Northumberland-Miramichi who just left the House. I see one of his colleagues has gone to get him. I would welcome his return to the House so he can speak for himself rather than be gagged by the government House leader.

**Some hon. Members:** Hear, hear!

**Madam Speaker:** The hon. member for St. John's West.

**Some hon. Members:** Here he is! He's come back! Hooray!

**Madam Speaker:** Order, please. I can see we are off to another wonderful Wednesday.

**Some hon. Members:** Oh, oh!

**Madam Speaker:** The Hon. Leader of the Opposition.