

Oral Questions

happening in Australia, it is happening in some other countries. We are not alone in the difficulties we are experiencing.

We recognized this in the spring of this year when we started bringing interest rates down. Interest rates have come down more than 200 basis points. There will be a further reduction in the bank rate tomorrow, as indicated by the markets now. I think this is the best thing we can do in order to provide lower borrowing costs, freeing up opportunities for economic activity right across the country.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, I regret I have to say that that answer simply will not do for the thousands of Canadians standing in the unemployment lines. It simply will not do for the thousands of Canadians standing in the welfare lines. It simply will not do for the thousands of Canadians standing in the food bank lines tragically, even in this holiday season right across this country, due to the misguided policies of this government.

The Canadian Manufacturers' Association said that this did not have to happen. When will the minister wake up and start doing something new and meaningful for the thousands of workers who are losing their jobs permanently because of the recession caused by the policies of this minister? Why will he not do something right now for the innocent victims of his and his government's made in Canada recession?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, my hon. friend says that lowering interest rates simply will not do. He has been critical of high interest rates for some period now. I think we have been moving reasonably aggressively to get interest rates down. Now he says it simply will not do.

If it will not do, then what is the position of the Liberal Party? We have heard this time and again whether it is free trade, whether it is on the goods and services tax, now on economic policies. The Liberal Party of Canada is full of a lot of hot air but it is not full of any constructive alternatives as to how it would do things better or differently.

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, Canadians are saying to the minister and his government that they want an election and a new and better government, not unfortunately the government that we are looking at on the other side of the House.

When the minister talks about high interest rates being brought down, Canadians know that what he has been doing has been too little too late.

[*Translation*]

Today, the Canadian Manufacturers' Association published its year-end report. I want to ask the Minister of Finance: When will he go to unemployment insurance offices across Canada and see all those people waiting in line? How does he think the unemployed are going to get through Christmas without any hope of better times in the New Year? Why are there not new policies for all these unemployed workers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we acknowledged there are currently many weak spots in our economy, and we have reduced interest rates since last spring. The result will create opportunities for future growth. It is normal for the economy to slow down after seven and a half years of very strong growth. Furthermore, we have kept the inflationary pressures we had two years ago under control. There may be future reductions in interest rates, and that is the best answer for our economy today.

Mr. Douglas Young (Acadie—Bathurst): Mr. Speaker, in its February Budget, the government acknowledged that all the elements were in place for a recession. The Minister of Finance got his wish: the unemployment rate is rising while thousands of jobs are being lost every month. The bankruptcy rate in Canada has reached record levels, and we know we are in a recession that has engulfed the entire country.

I want to ask the Minister of Finance: Is he satisfied with the results of his economic policy? Does the Minister of Finance believe it will be a Merry Christmas and a prosperous New Year for Canadians, thanks to his policies?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, no one is happy about a recession. No one is happy about seeing people lose their jobs. No one is happy about seeing people go bankrupt. But these are things that happen in an economy that is growing faster than the capacity of the economy to meet that growth.

There are certain signs in the economy. If the hon. member would look at *The Globe and Mail* this morning, it says, "Robust trade month a surprise". There is a