

*Oral Questions*

Finance to make a statement in this House to set forth clearly and unequivocally what the position of the Government is on the Canadian dollar as it relates to the interest rate structure?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, with respect, may I tell my right hon. friend, because I know he will want it corrected, that the statement he attributed to me in regard to CTV is absolutely false. I said no such thing at any time. I know he will want to read the transcript and reflect upon it.

**Mr. Frith:** Another retraction.

**Mr. Mulroney:** There will be a retraction, and it will come from the Right Hon. Leader of the Opposition. We never said that, and we have said the opposite.

**Mr. Rossi:** Why don't you blame the press again?

**Mr. Mulroney:** The transcript is there. We have been consistent. I know my right hon. friend believes in fairness. I either said it or I did not. I am telling him I did not say it. He will want to read that transcript and apologize for misleading the House on a very important matter.

● (1420)

## MINISTER'S POSITION

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, the Minister of Finance is quoted by the wire service as saying that the Government is doing what it can domestically to bolster our currency. This suggests that the Government is going to increase interest rates, which is one thing it can do, or intervene and purchase Canadian dollars. Would the Minister indicate whether he is undertaking to do both those things in order to prevent the dollar from breaking through the 70-cent barrier because of the statements of the Minister of Justice?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that is a very broad question. Let me focus on a couple of points. I have made it very clear during the past year, and any time this question has been raised, that the policy of the Government and the Bank of Canada is to try to moderate changes in interest rates and exchange rates. We can only moderate because of the substantial financial requirements of the Government of Canada caused by the huge deficit which we have to deal.

What I was focusing on in that response to the media this morning was that we are going to do what we can here in Canada to stabilize the level of the dollar by following fundamentally sound economic policies. At the heart of that is the following of a much tighter fiscal policy than was the case with the previous Government, to get the deficit down, not as an end in itself, but as a means to an end, because by getting the deficit down we can afford our social and economic programs, our defence commitments, as well as the other things.

*[Translation]*

## INCREASE IN INTEREST RATES—CONSEQUENCES FOR TAXPAYERS

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** I have a supplementary, Mr. Speaker. I think my question was quite clear. Will there be an increase in interest rates this week? Is he going to buy Canadian dollars? And if he has to keep the dollar from falling below 70 cents, how much is it going to cost the Canadian taxpayer in terms of interest rates, buying dollars, and so forth? Can he give us an estimate?

*[English]*

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the response to that question is essentially the same as the response to the first question. The Hon. Member knows it is not possible for the Government of Canada or the Bank of Canada to say precisely what interest rates will be or what the level of the Canadian dollar will be. That will be decided in the market-place. We do moderate, as I said in my previous response, movements in interest and exchange rates, both up and down. That has been the policy and it is designed to reintroduce stability in the market-place. That is the continuing policy of this Government.

*[Translation]*

## EXCHANGE VALUE OF DOLLAR—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. Today, the Canadian dollar fell to record levels. And today the Minister of Justice indicated there is no consensus in Cabinet on economic policy. That is the exact opposite of what the Minister of Finance said. This confusion is dangerous for the dollar. Where is this Government's sense of direction?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member claims that the Minister of Justice said there was no consensus on a major issue. That is false! The Minister of Justice never said such a thing. There is a very clear consensus in this Government on all major current issues.

*[English]*

## LA PRESSE ARTICLE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister in question is quoted at length in the *La Presse* article. Has the Prime Minister asked the Minister of Justice if what has been attributed to him about the confusion in the Government is incorrect? Has he got that explanation? If not, on what basis does he make the statement that he just did, that there is coherence in the Government, when the whole country sees nothing but confusion?