

Economic Conditions

Mr. Darling: We are much better off with free enterprise than we would be with the glorious social system which my colleagues on my left advocate. Let us look at some of the great socialist countries where everything is free and wonderful. I understand that the U.S.S.R. has a great charter of rights to protect the freedom of citizens and to provide freedom of this and freedom of that.

● (0700)

This brings up another point. If the government would pay more attention to the important things instead of wasting so much time on the constitution, as if it were the be-all and end-all—the people of Canada do not give too much of a damn about the constitution—

Some hon. Members: Oh, oh!

Mr. Darling:—especially the millions who are looking for jobs, and the senior citizens and all those on fixed incomes who are worrying about the high cost of fuel, about paying their rent.

Some members of the government have said we have offered no suggestions. We are not in a position to implement measures which will help to alleviate the situation in the country. You birds over there are the wise owls and are supposed to know it all, but you are doing very little about it. This is what you are responsible for and what you will have to answer for. It is all well and good to talk about the constitution and have people traipsing to Room 200, morning, noon, and night. It would be a lot better if there were as much interest shown in high interest rates.

It is amazing to see some of these Liberal rags, these great Liberal dailies which have been the support of Liberal governments through the years. I find the headlines amazing. The headline in yesterday's *Citizen* reads: "Christmas Gaiety Mocks City Poor". I am quite sure many hon. members have read that. It refers to the serious problem which exists even in the wealthy city of Ottawa, as far as the poor and the disadvantaged are concerned. Starting off that news item are the following words written in italics:

To seek to create the just society must be amongst the highest of human purposes . . . On the never-ending road to perfect justice, we will succeed in creating the most humane and compassionate society possible.

That is a very high sounding, plausible statement.

An hon. Member: Who wrote it, Joe Clark?

Mr. Darling: No, Pierre Elliott Trudeau wrote it in 1972. Is that not a big laugh?

As I mentioned before when I was speaking about the editorials, it is amazing to see what some of them are coming up with now. We find the following headline in that great daily, the *Toronto Star*: "End Interest Rate Madness". Is that the issue of December 18? It is, like hell, with due respect, Mr. Speaker! It is the issue of November 29. It reads:

The interest-rate madness that afflicted the nation last spring is upon us once again. The Bank of Canada has now raised the interest rate it charges the chartered banks to a whopping 13.95 per cent—

The Bank of Canada and the federal government try to justify this upward spiral by arguing that high interest rates are required to curb inflation—

Then it goes on and ends with the following statement:

Whatever short-term inflationary impact such policy might have would be more than offset by the greater industrial productivity, new job creation and sustained economic growth and expansion.

I certainly agree with that. I am wondering what they will come up with in today's editorial when the situation becomes much worse.

Another heading in *The Citizen* of December 18 reads: "The bad news and worse news about our economy". There is good news there. It reads:

The good news is that governor of the Bank of Canada Gerald Bouey at least hasn't lost his sense of humour.

That is the good news, and I am sure the poor people of Canada will be delighted to hear that. He was interviewed. After coming out of a meeting he was asked how he fared when he was facing the ten provincial treasurers and the Minister of Finance, to which he replied, "I left to wild applause."

The article goes on to read:

The bad news is that in private Bouey apparently has advised officials and bankers that he believes the U.S. policy of high interest rates is wrong, but he has no choice but to do what he is doing to Canadian interest rates, even though he doesn't believe it will do much good—

That is, to help inflation or to help the economy.

Mr. Speaker, let me read the following to my wonderful friends to the left, from the same *Citizen* article:

So much for the bad news. Now for the worse news. A panel of four economic experts when interviewed all forecast Canadian interest rates will "cross" or go higher than U.S. rates before 1981 is ended.

Let the Liberal government as well as our economic expert from Ottawa Centre (Mr. Evans) read that and digest it. The article goes on to read:

Typically, Wood Gundy chief economist John Grant expects that today's 3-point spread in our favour will turn into a 1 per cent or more handicap—

Canadian rates will be forced ahead of U.S. ones—

This is something that frightens many of us a great deal. The consumer price index was up 1.2 per cent in November. It is now 11.2 per cent above last year's level, the worst year over year performance of the consumer price index since March of 1975 when it stood at 11.3.

The cost of buying trucks and cars rose by 5.2 per cent last month. The cost of gasoline, as I have already pointed out, is up 3.1 per cent. The cost of fuel is up 4.2 per cent, and domestic gas is up by 4.2 per cent. As you are well aware, Mr. Speaker—but we have to keep hammering away at it—the Bank of Canada rate is 17.3 per cent, and the prime rate for the banks to their top customers is 18.25 per cent. That certainly does not include the many little businesses which are struggling to save themselves from bankruptcy. Concern about this has been voiced by many members on the opposition side of the House. The situation is very serious. What will small businesses be paying for their loans starting today? They will be probably be paying 21 per cent because when they go cap in hand—probably some cannot even afford one—to the bank