

his policies should ignore unemployment and focus exclusively on price stability.

Will the government recognize that unemployment is a problem in this country? Will it recognize that it must tell John Crow to follow the laws of this land that set up the Bank of Canada and help get people back to work.

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** Mr. Speaker, that is an inaccurate and unfortunate interpretation of Mr. Crow's remarks.

In order to have sustainable growth you must have price stability. History will tell you that. The evidence is very clear insofar as the economies of Germany and Japan are concerned. When you have price stability you have sustainable growth, high levels of growth and high levels of job creation. That is a policy we are following and that is a policy that is working.

We have already seen interest rates come down by 5.5 percentage points because we have been able to contain the fires of inflation. The two go hand in hand.

When the hon. member talks about the difficulties, and we share those difficulties, I remind him as was reported today in *The Ottawa Citizen*: "We note that the world economy is at its worst since 1945. This is the first time, according to the United Nations that since 1945 total production and income of all the countries in the world will decline. Canada is included in that unfortunately, but we are well on the road to recovery and we will have sustainable recovery in 1992".

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## AGRICULTURE

**Mr. Vic Althouse (Mackenzie):** Mr. Speaker, my question is to the same minister. John Crow's high dollar policy has not only created high unemployment, but has artificially reduced the export price of grains and oilseeds.

Will the government admit its responsibility to make certain that farmers have stable incomes instead of a drop of over a billion dollars which it is expecting them to absorb in their net farm income for the crop year just completed.

## Oral Questions

**Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance):** I remind the hon. member, and I am sure he is aware of this, that the average level of the Canadian dollar *vis-à-vis* the American dollar has been 92.6 cents average over the last 40 years. To suggest that 88 cents is a high dollar is not necessarily correct in terms of historical averages.

I am sure the hon. member also knows that it is the fiscal problem and the productivity problem that have to be addressed as part of curing the economic ills we face.

As my colleague has indicated, this government has been very generous in support of the agriculture industry. It will continue to be generous during this difficult period of time they are facing, going through a trade war that has been unknown in the history of this country.

**Mr. Vic Althouse (Mackenzie):** My final supplementary is to the minister of trade. Two separate studies, one in this country and one by economists in the U.K., show that in the subsidy free world that Canada and the U.S. are advocating at the GATT, world prices for grain would, and I quote: "rise up to 12 per cent". On \$2 wheat that is 24 cents. Is this the government's final solution. Is this how it thinks it is going to solve the farm problem, with 24 cent wheat?

• (1430)

**Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade):** Mr. Speaker, I think the hon. member is very well aware of the position that we have taken in the trade negotiations.

We have been strongly against the substantial export subsidies as well as the lack of access, both of which are problems for our farmers in dealing with the European market.

Our strong belief is that if we can get agreement through the multilateral trade negotiations to reduce those export subsidies, and open up access to the European market, we can do a great deal to address the plight of the farmers to date.

That is the position that we have taken in the negotiations as they relate to export subsidies and market access, and we will continue to fight hard for that.