

Oral Questions

of the last four or five years, one does expect that there will be some slowdown, and that is being reflected in the statistics that we have seen today.

[Translation]

Hon. Herb Gray (Leader of the Opposition): Mr. Speaker, the Minister of Finance just admitted that the present slowdown in the economy was in fact created by this government's economic policies.

As I said earlier, Mr. Speaker, today Statistics Canada tells us that the Gross Domestic Product went down, at this stage in the economic cycle, during January and February. It says the manufacturing sector is already experiencing a recession and that housing starts in the construction industry are down. Why won't the minister admit that, at this stage in the economic cycle, the time has come to reduce interest rates before the whole economy is in a recession?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I caution the Leader of the Opposition from zeroing in on one or other of the specific economic indicators. It is important to look at the total picture in the economy, and we are still seeing signs of inflationary pressures today.

I also point out to my friend what I said on a number of occasions last week in the House. When a government is looking at the development of economic policy, alternatives have to be considered. The alternatives that we have had to consider in previous times, such as was considered by the government of the day in the 1970's, underestimated the importance of inflation.

We are not going to fall into that same trap again this time. If we do so, we risk going back into the same trap that we saw in 1981-82 when inflation hit 13 per cent, and when the level of interest rates was in excess of 20 per cent. That clearly led to the disastrous recession of the 1981-82 period.

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INDIAN AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. It concerns the Mohawk community of Akwesasne.

As the minister will know, living conditions on Akwesasne have become so dangerous and so bad that last Friday and Saturday several hundred residents of the village of St. Regis in Akwesasne had to be evacuated by barge across the St. Lawrence River to Cornwall, Ontario.

Can the minister tell this House if he has had any success in convincing the American authorities to take the necessary actions to disarm the so-called warrior society operating on the U.S. side of the border?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I not only thank the hon. member for his question but I thank him for the very constructive way in which he has approached a crisis situation affecting constituents of his. It is as well of concern to all members of the House.

I have been in touch with the Secretary of State of the United States, Mr. Baker. I have told him that we have a situation that we regard as being one of near anarchy, that in our view the great majority of the source of the problem is on the American side, and have asked him to urge response by American authorities, including, particularly, authorities of the Government of New York.

I have not yet received a reply from Mr. Baker, although I understand that one is in the mail. I have some confidence that the Americans will treat this matter with the seriousness that we do.

I can report to the member that there is occurring today a meeting of police authorities from both sides of the border, all the relevant agencies, to ensure that there is a co-ordinated police approach to the crisis to which he refers.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to thank the minister for his response.

As the minister will know, over the weekend the Chief of the Assembly of First Nations, Chief George Erasmus, has formally requested that the U.S. National Guard be called in to restore law and order on the U.S. side.

Given that statement, I want to ask the Secretary of State for External Affairs if he has personally contacted, or if he will, contact Governor Mario Cuomo of New York and impress upon him the urgency of this issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, officials of my department through the Consulate General in New York have been