

will have on the dollar or what effect they would have on interest rates? Is it possible that these decisions were arrived at in complete ignorance of these possibilities?

● (2110)

Senator Olson: Honourable senators, I am sure that the Minister of Finance and his advisers took all of those things into account, and very seriously took them into account.

Senator Smith (Colchester): Is the minister telling us that all of these decisions were taken by the Minister of Finance without consultation with his colleagues in the exercise of collegial responsibility which the Leader of the Government was just talking to us about?

Senator Olson: No, that is not so. Given the content of the question and the manner in which it was put, the Honourable Senator Doody was asking me to speculate on it, and I am not prepared to do so.

Senator Doody: A supplementary, honourable senators. If my manner has disturbed the honourable minister in any way, I apologize to the Senate and to the very tender pride of the minister. I am sure that, as the session progresses, things will toughen up and tighten up, and we will become more congenial.

The point I was trying to get at—and I have obviously not expressed it very well—is whether or not the decisions arrived at and announced last night in the “budget” were decisions arrived at by the cabinet in concert with the Minister of Finance speaking last night on behalf of the government.

On the basis that the minister was speaking on behalf of the government, I assumed—and perhaps I am wrong—that his cabinet colleagues would be familiar with the reasoning behind the programs and policies that were enunciated last evening. If that is incorrect, then I stand corrected.

Senator Olson: Perhaps you do stand corrected. I think it ought to be clear that the matters dealt with in the economic statement made by the Minister of Finance are obviously matters that the entire government takes responsibility for. There is no doubt about that. If there is a question as to effects, such as the value of the dollar and a number of other things, I would be glad to take it as notice.

I apologize for misunderstanding the honourable senator's question in the first instance. I thought he wanted me to speculate, or to give my opinion on some of those things.

I should comfort him by saying that I do not have a thin skin. I do not feel any annoyance at all. Indeed, if I were on the other side of the house, I might be doing precisely what he is trying to do now.

An Hon. Senator: You have.

NATIONAL DEBT—COST OF FINANCING

Hon. Orville H. Phillips: Honourable senators, the Minister of State for Economic Development, in replying to a question from Senator Smith (Colchester), stated that the increased

deficit was due, in large part, to the high cost of financing the national debt.

Would the honourable minister explain to this chamber how it is we are faced with increased costs in financing the national debt when the Liberal Party campaigned against increased interest rates and, in fact, promised lower rates? According to the Liberal campaign platform, we should have a lower deficit and lower interest rates.

There is a rather strange contradiction, and I am sure it is a difficult one to explain, but I would love to hear the honourable minister try to explain it.

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I think it is something of an exercise in futility for one party or another to make some of these claims. It is a bit like the kettle calling the pot black. It seems to me that the opposition made similar statements respecting interest rates leading up to the May 22 election. However, when faced with the responsibilities of office, they were making the same speeches that were made by the government they defeated.

I do not recall that the Liberal Party made any promise that it would intervene in the market to force interest rates down. I am sure we did not say that. We did remind the government of the day, however, when we were in opposition, that it had made certain promises with respect to interest rates which, when faced with the responsibilities of office, it was unable to keep.

There have been statements made on both sides while in opposition with respect to that specific item. However, when one takes office, one finds that there are a number of other factors involved.

Senator Phillips: Honourable senators, I followed the election campaign from the sidelines, shall I say, and certainly the fact of high interest rates was used continually to condemn the previous government. Now the honourable minister states that after a six-month period there is a difference, to the point where he no longer thinks it is that important.

Did the minister ever read the Liberal campaign platform promise on interest rates and, if so, would he relate it to today's high interest rates?

Senator Olson: Honourable senators, the only thing I can add to what has already been said in respect of this matter is that I not only read it, but accept full responsibility for being part of the committee that designed it.

Senator Phillips: You should be ashamed, but I admire your honesty.

FISCAL POLICIES—GOVERNMENT SPOKESMAN IN SENATE

Hon. Duff Roblin: Honourable senators, I appreciate the difficulties that my honourable friend the Minister of State for Economic Development has in reconciling his position on the government side these days with the position he took when on this side of the house, and I recognize his excuse that circumstances alter cases and that—