

Canadian Economy

the governments and large corporations and, strangely enough, Mr. Speaker, they do not hurt the Canadian development companies which are now the major holders of real estate in New York, Houston, Dallas, San Francisco, all around the United States. It does not hurt them at all because they borrow the money in Canada from Canadian banks, Canadian savers, then turn around and deduct that interest from their parent company here and then get a second deduction in the United States. So it does not cost them one red cent. It does not matter if you have a 40 per cent interest rate, they can still pay the bill. It is the government which is going to fork it over. That is the problem in that one instance, and that is why those large development companies are building housing, offices and everything else in the United States instead of in Canada.

The government says there is nothing they can do about the high interest rates. I say they could do something about them. They are hurting the home owners much more than if our dollar dropped in value. They are hurting the small businessman, and I am talking about everything other than multinationals. They are hurting the independent oil companies, as is the National Energy Program. And the other people who are really hurting are those who have deposit receipts. They may be getting 18 per cent, but they are paying tax on that, which leaves them with 9 per cent, but with an effective inflation rate of 12 per cent they are still three points in the hole. I ask this government, I plead with it the best way I can, please do something to help Canadians survive. You may think they are making a lot of money, but they are not. The dollar they are making today by many comparisons is only worth about 10 cents compared to the dollar of 1961.

[*Translation*]

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, it is always an honour and a pleasure to take part in a debate in the House of Commons, especially on such a topical subject as the economy. Last week, I had the opportunity and the honour to speak to the House and to those who listen to us about an important subject, namely the economy and the harmful effects of inflation on small wage earners who bear the brunt of inflation. However, today, I must say that I am greatly disappointed by the lack of seriousness of the motion introduced by the opposition.

I sit on the Committee on Finance, Trade and Economic Affairs with the hon. member for York-Peel (Mr. Stevens). I have not been in the House for long, but I have often had the impression that I was learning a lot during the debates of this committee from the contributions of the hon. member for York-Peel, the hon. member for St. John's West (Mr. Crosbie) and the other financial critics of the opposition. I was grateful for the quality of the questions that they asked and the wisdom that they often showed in their interventions.

I confess, Mr. Speaker, that on reading the motion introduced by the opposition, I was greatly disappointed. I respect the former President of the Treasury Board even though I do

not necessarily share his political and economic views, but I still respect him because he has always been consistent. We know what to expect from him. We know his economic philosophy and where it leads. We may disagree with it, but we can still respect it. This is why I have always appreciated the interventions of the hon. member for York-Peel. I must admit I do not think much of his motion. He went so far as to object to the Minister of Finance (Mr. MacEachen) attending a meeting of the International Monetary Fund! He has effectively condemned our whole policy even though he had the same goals when he was himself President of the Treasury Board! Obviously, Mr. Speaker, we must face our current problems, namely the inflation rate and the impact of high interest rates and inflation on small wage earners.

I do not believe that such a silly motion can solve anything. It is so ridiculously phrased that few opposition members were here today because the majority were ashamed of it. I think that no one wants to be associated with those unconvincing comments. Since we are facing such a prevailing and basic situation which concerns so many people and causes hardship to the underprivileged and small wage earners, all members of the House should co-operate to find the required solution. Unfortunately, such is not the case.

The solutions suggested may often be very attractive politically. Perhaps on the very short term, the solutions promoted by the hon. members opposite can attract certain pressure groups and a few additional votes. You know as well as I do, Mr. Speaker, that these political ad hoc measures have a very doubtful economic value. I have listened to a whole series of them, enumerated by the member who spoke before me. In my opinion, we cannot live in a closed society. We all depend on our neighbours and on our actions. There is no magic solution to inflation. I think that members of the opposition would have had every reason to denounce our Minister of Finance if he had ignored this international conference.

I think that it is not so much his attending an international conference that is being criticized but the fact that the conference is being held in Gabon. Fancy that! Gabon! I am sure that several members of this house cannot imagine that an international conference of value could be held in Gabon—but I remind members opposite who have criticized the minister for attending and participating in this conference that there were over 800 experts and ministers of finance from 141 countries, members of the International Monetary Fund. I, for one, am proud to see that the delegates attending this monetary conference considered it appropriate to appoint our Minister of Finance their chairman. I think that is an honour they bestowed on me and on all Canadians. I think the previous speaker insulted officials of the United Nations or other international agencies by the way he described the appointment process. Can you imagine! He spent one week at the United Nations and that automatically makes him an expert on the way all appointments to major positions are made.