just like the hon. member for Ottawa Centre (Mr. Evans) whom he so recently replaced.

• (1650)

To get back to the motion before us today, I have read it through with some interest. It is divided into two parts. The first part concerns itself with interest rates, and the second concerns itself with what is billed as a new employment option. I do not really know what that is supposed to mean. I suspect it is one of those terms such as "the just society," "made-in-Canada oil prices," "blended oil prices," or something like "the national energy policy."

Mr. Althouse: "Short-term pain for long-term gain".

Mr. Nickerson: It is a handy little catch phrase, and hon. members can go around the country giving speeches and saying, "What we want is a new employment option". However, they are not really obliged to say what that means. We all remember "the just society" and what happened to that. We remember "blended oil prices" and what that really meant. We remember the "made-in-Canada oil prices." What that really means is that we are moving up to 75 per cent of the world price. It is a catch phrase which does not mean anything. I hope that at some time our socialist friends will explain exactly what they mean and what the implications will be for Canadians. I doubt very much if they ever will—and I hope they do not—but in the very unlikely event the NDP is ever saddled with forming a government, Canadians will want to know in detail beforehand what members of the New Democratic Party mean. And Canadians do not want to get caught in a new "blended oil price".

Getting back to the main topic today, that of interest rates, in the past few days two differing views as to what should be done about interest rates have been explained to us. One view is that of the Liberal Party, and the second is that of the New Democratic Party. The New Democratic Party's suggestions have been criticized this afternoon by the former parliamentary secretary to the Minister of Finance as being naive. I think I would go even further than that and describe them as childish in their simplicity. The idea is that the Minister of Finance can pick up the telephone and tell the Governor of the Bank of Canada to reduce interest rates, and that will have solved the problem. Perhaps great speeches on this subject can be made in Saskatoon or Regina, but it is not really a viable option. We must consider the consequences.

Mr. Riis: What is your option?

Mr. Nickerson: I am going to get around to what my option is.

Mr. Riis: You have only seven minutes left.

Mr. Nickerson: I will tell the hon. member what my option is, but let me first deal with the consequences of doing this, unless it is thought all the way through. Money will end up being drained from the country. That will be the first consequence, unless something else can be done at the same time. Exchange controls would have to be imposed.

Mr. Riis: Is that the best you guys can do?

Mr. Nickerson: The people of Canada would have to be told they cannot go to Disneyland for their holidays.

Mr. Riis: Offer a solution.

Mr. Nickerson: There is no point in saying that if we are going to have exchange controls we can put the burden on the banks and big companies. That would not work either. It is the little guy who would be saddled with exchange controls, if we were to take the naive and simplistic view of the NDP.

Mr. Riis: Six minutes left.

Mr. Nickerson: On the other hand we have the Liberal presentation. What the Liberals do is to throw up their hands in disgust and say there is nothing they can do about this, it is a worldwide problem, it is caused by the United States of America, it is in every other country of the world, there is nothing they can do about it and all they can do is keep our interest rates several percentage points higher than those of other countries in order to attract money into this country.

I do not think either of those views make a great deal of sense. It is true that Canada is tied into the international finance system and that we do not have a fantastic amount of leeway. We cannot have interest rates of 2.5 per cent or 3 per cent in this country when they are 15 per cent in the United States. We cannot go that far but, in my opinion, if we play our cards right there is a fair amount of leeway. We can have reduced rates in this country. We have seen them in Switzerland and Japan, and we could have them without recourse to exchange controls.

Mr. Riis: How?

Mr. Nickerson: As one of the hon. members who spoke previously said, we probably cannot reduce interest rates significantly below the rate of inflation. That would be unfair to lenders, especially in view of the high tax rates on interest in effect today. However, we have to make Canada a good place to invest.

Mr. Riis: How do you do that?

Mr. Nickerson: We have to make people want to put money into Canada, whether they be Canadian citizens or citizens of other countries.

Mr. Riis: That is your preference, isn't it, citizens of other countries?

Mr. Nickerson: If people wanted to put money into Canada and if Canadians wanted to invest in their own country—and if they could do that with confidence, which they certainly cannot do right now—that would automatically bring interest rates down. It is a matter of supply and demand. If people are to put money in, there will have to be lower interest rates than