

The Address—Mr. Clark

Mr. Clark: Let me deal with the specific question of interest rates because the references in the throne speech to interest rate policy were cold comfort to hundreds of thousands of Canadians who are trying to cope with record high mortgage and borrowing costs. I am tempted to take a little more time this afternoon and review the hypocrisy on this issue of the Liberal party, but I will leave that for the people of Canada to judge every time they hear members of this administration speak.

Interest rate policy has changed in Canada in three ways since February 18. First, rates have gone up, and they have gone up faster during the past two months than they did in our nine months as a government. Second, while our government and our minister of finance faced up squarely and honestly to our responsibility as the ultimate managers of monetary policy, this government and minister of finance prefer to hide behind the gimmick of floating rates; a float which it will not even let the standing committee of this House of Commons examine; a float about which they refuse to let questions begin to be directed immediately to the governor of the Bank of Canada who had expressed reservations about that policy when a parliamentary committee was struck by our government; a float which is nothing but a gimmick to try to pass the responsibility for interest rates away from the government, where it resides, to the governor of the Bank of Canada.

Some hon. Members: Shame, shame.

Mr. Clark: Third, and most serious of all, while we brought forward specific measures that would cushion the impact of unavoidably high rates of interest on Canadians, this government is prepared to let the great majority of home owners, farmers and small businessmen burn while Allan MacEachen fiddles.

Some hon. Members: Oh, oh!

Mr. Clark: We proposed a major program of mortgage and property tax credits which, even in its first year, would have held to about 12 per cent the effective cost of an average mortgage renewed at current rates. The Liberals and members of the new coalition—the attempted coalition to our left, the NDP—voted against that measure. In its place, according to the throne speech, this government offers only the very vague promise of some kind of assistance that will be limited to those who have to “renegotiate existing mortgages”, and who face “the spectre of foreclosure”, to quote the Speech from the Throne.

What this government is offering, having cried such crocodile tears over interest rates in December, is minimal aid to home owners who literally have their backs against the wall, but nothing at all for Canadians whose current mortgage costs without any renegotiation already are too high. It is offering nothing for Canadians who have had to renegotiate their mortgages in recent months at abnormally high rates, and nothing for the thousands of Canadians who want to buy their first home but simply cannot afford today's mortgage costs. And this, ladies and gentlemen, from a government which

created and literally pushed on to the people of Canada an AHOP program which is causing so much grief to so many Canadians and which stands today as probably the worst conceived and administered housing program ever inflicted upon this country.

Some hon. Members: Hear, hear!

Mr. Clark: That, Madam Speaker, is their helping hand to home owners, the helping hand of this government which is so concerned, it says, about injustice. It talks against it and then it imposes injustice on the people of Canada.

What is there for farmers and small businessmen? Again our government had brought forward in its budget a concrete measure to help those Canadians; a small business development bond that would have allowed small businesses and farmers to borrow up to \$500,000 at roughly half the current market rates. Again the Liberals and members of the coalition—those two parties—voted that measure down. What does the government offer in its place? It offers a routine increase in loan ceilings under the Small Businesses Loans Act and under the Farm Improvement Loans Act, a proposal which offers small businessmen and farmers virtually no assistance where they need it and virtually no assistance in meeting the abnormally high cost of money.

Let me say one final word about economic policy, Madam Speaker. As was often the case with the Prime Minister during the election campaign, in yesterday's speech he tried to have it both ways in regard to the budgetary deficit. The government says it is committed to reducing that deficit but—the persistent “but”—not at the cost of all the new spending programs and new government agencies it wants to create. That is a familiar Liberal line. In fact, we heard that line in every budget for 11 years while the Liberal government ran this country into near bankruptcy.

I say to hon. members opposite that Canada simply cannot afford any more of that kind of irresponsibility. They will not reduce inflation—and surely that has to be the number one economic objective—unless and until they are prepared to bring government finances into balance and ease the inordinate claim the federal treasury has been making on the financial resources of this country.

I urge the Minister of Finance (Mr. MacEachen) to heed the words of his principal adviser, the governor of the Bank of Canada, who says in his annual report:

—if large fiscal deficits are continued when the economy has little more effective capacity to increase output they will discourage such investment . . . If we in Canada want to reduce our international deficit on current account and thus our use of foreign savings we shall have to pay careful attention to the rate at which domestic savings are being absorbed by the fiscal deficits of our governments.

Perhaps it is because of advice such as that that the Minister of Finance so resolutely refuses to allow the Parliament of Canada to question the governor of the Bank of Canada.

[*Translation*]

Madam Speaker, in connection with energy matters, the energy policy of the government shows no sense of urgency.